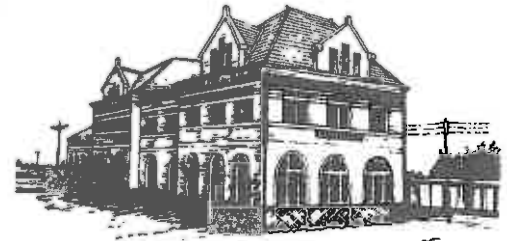


City of  
**CRESTON, IOWA**

116 W. Adams • P.O. Box 449 • Creston, Iowa 50801-0449  
Phone 641-782-2000 • Fax 641-782-6377



*Creston's Restored Depot and City Hall*

**MAYOR:** Warren Woods  
**COUNCIL:** Randy White, Loyal Winborn, Ann Levine, Marsha Wilson, Larry Wagner, Paul Vandevender, Nancy Loudon  
**CITY CLERK:** Lisa Williamson  
**CITY ADMINISTRATOR:** Mike Taylor  
**CITY ATTORNEY:** Skip Kenyon & Todd Nielsen

**Regular Meeting Agenda**  
**City Hall/Restored Depot**  
**Council Chambers**  
**Tuesday, July 16, 2013**  
**6:00 p.m.**  
**07/12/2013 11:41 AM**

1. **Call Meeting to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Consideration of Agenda**
5. **Consider Adoption of the Consent Agenda** – *NOTE: These items are routine items and will be enacted by one motion without separate discussion unless a Council member requests an item be removed for separate consideration.*
  1. **Minutes:** July 2, 2013 – Regular Meeting
  2. **Claims & Fund Transfers:**
    - i. **Total Claims** - \$251,840.08      **Fund Transfers** - \$25,003.50
  3. **Licenses:** Montgomery Street Pub – Extended Outdoor Service, July 20-21
  4. **Parade Permit:** God's Outreach Deliverance International
6. **Public Forum** – *the Mayor and City Council welcome comments from the public on any subject pertaining to City business, including items on this agenda. You are asked to state your name and address for the record and to limit your remarks to 3 minutes in order that others may be given the opportunity to speak. The Order of Business is at the discretion of the Chair. No action will be taken.*
7. **New Business**
  1. Appointment with Ellen Gerharz
  2. Resolution to approve Post-Issuance Compliance Policy
  3. Resolution to approve revised Audit Engagement Agreement with Draper, Snodgrass, Mikkelsen
  4. Motion to authorize the advertising to sell 1988 Ford L9000 Fire Truck, set minimum bid amount and take sealed bids
  5. Resolution to approve IDOT Grant Agreement for the construction of the Airport T-Hangar Access Taxiway Project
  6. Resolution to approve Engineering Services Agreement with Clapsaddle-Garber for the Airport T-Hangar Access Taxiway Project
  7. Resolution to approve IDOT Grant Agreement for the Airport Pavement Maintenance Project
  8. Resolution to approve Engineering Services Agreement with Clapsaddle-Garber for the Airport Pavement Maintenance Project
8. **Other**
9. **Adjournment**

## REGULAR MEETING OF THE CRESTON CITY COUNCIL JULY 2, 2013

The Creston City Council met in regular session at 6:00 o'clock on the above date in the Council Chambers of the City Hall Complex with Mayor Woods presiding.

Roll call being taken with the following Council members present: Loudon, Vandevender, Wagner, Wilson, Levine, Winborn and White.

Wilson moved seconded by Wagner to approve the agenda. All voted aye. Motion declared carried.

Wilson moved seconded by Levine to approve the consent agenda, which included approval of minutes of June 8, 2013, regular meeting and June 25, 2013, special meeting; claims of \$192,811.55 and fund transfers of \$196,206.17; Liquor License renewal for Casey's #3. All voted aye. Motion declared carried.

No one spoke during Public Forum.

A resolution was offered by Wagner seconded by Vandevender to name the City of Creston Depositories and authorize the Mayor and Clerk to execute the proper documentation. Wilson, Levine, Winborn, White, Loudon, Vandevender and Wagner voted aye. Resolution declared passed.

A resolution was offered by Wilson seconded by Loudon to participate in the planning and development programs of the Southern Iowa Council of Governments and authorize the Mayor and Clerk to execute the proper documentation. Vandevender, Wagner, Wilson, Levine, Winborn, White and Loudon voted aye. Resolution declared passed.

A resolution was offered by Wilson seconded by Levine to approve a Federal Aid Agreement for the City Highway Bridge Program Project – Adams Street Bridge at McKinley Lake and authorize the Mayor and Clerk to execute the proper documentation. Winborn, White, Loudon, Vandevender, Wagner, Wilson and Levine voted aye. Resolution declared passed.

A resolution was offered by Wilson seconded by Vandevender to accept the bids and award the construction contract to Kimrey Electric for the Airport Lighting Improvements Project and authorize the Mayor and Clerk to execute the proper documentation. Levine, Winborn, White, Loudon, Vandevender, Wagner and Wilson voted aye. Resolution declared passed.

A resolution was offered by Wilson seconded by White authorizing the Mayor to sign and submit application to the FAA for the Airport Lighting Project and authorize the Mayor and Clerk to execute the proper documentation. Loudon, Vandevender, Wagner, Wilson, Levine, Winborn and White voted aye. Resolution declared passed.

A resolution was offered by Wilson seconded by Loudon to special assess unpaid mowing nuisances and authorize the Mayor and Clerk to execute the proper documentation. Vandevender, Wagner, Wilson, Levine, Winborn, White and Loudon voted aye. Resolution declared passed.

Wilson moved seconded by Levine to approve a request by Frank and Judy Gale to place a bench at the northwest corner of the Depot in memory of their son, Brandon Gale. All voted aye. Motion declared carried.

Wilson moved seconded by Vandevender to approve temporary closing of three to four parking spots in front of Schweser's to hold their annual sidewalk sale on July 19 & 20, 2013. All voted aye. Motion declared carried.

Wilson moved seconded by White to approve temporary closing of five parking spaces in front of Adams Street Espresso on Thursday, July 4, 2013, and Saturday, September 21, 2013, for the July 4<sup>th</sup> and Balloon Days' parades, from 6 am until after the parades. All voted aye. Motion declared carried.

Wilson moved seconded by Loudon to approve temporary closing of five parking spaces in front of The Lobby on Thursday, July 4, 2013, for the July 4<sup>th</sup> parade, from 6 am until after the parade. All voted aye. Motion declared carried.

Wilson moved seconded by White to adjourn the meeting. All voted aye. Motion declared carried. Council adjourned at 6:14.

---

Mayor

Attest:

---

City Clerk

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
POLICE PROTECTION	GENERAL FUND	JERRY'S SPORT CENTER INC	BULLETS	339.20
		PETTY CASH - POLICE	USPS CERT MAIL	5.17
			USPS - CERT MAIL	18.33
		SUPREME CLEANERS	UNIFORM CLEANING-JUN'13	59.50
		WATCHGUARD VIDEO	DIGITAL MICS	823.00
			TOTAL:	1,245.20
DETENTION & CORRECTNS	GENERAL FUND	UNION CO AUDITOR	LEC BILLING - JUN'13	6,335.10
			TOTAL:	6,335.10
FIRE PROTECTION	GENERAL FUND	ILLOWA COMMUNICATIONS	REPAIR RADIO	93.00
		CRESTON CITY WATER WORKS	WATER-FIRE	38.88
		ED M FELD EQUIP CO INC	STORZ LOCK KIT	15.00
			CLASS A FOAM	380.00
			CLASS B FOAM	405.00
		ALLIANT ENERGY-INT PWR&LGHT	GAS JUN'13	18.71
			ELECTRIC JUN'13	399.26
		KELTEK INCORPORATED	EQUIPMENT - R-3 AND L-1	1,834.08
		MCI	LONG DISTANCE	1.21
		MUNICIPAL EMERGENCY SERVICES	SMOKE MACHINE FLUID	68.00
			STRUCTURE FIRE GLOVES	467.05
		PETTY CASH - FIRE	TRUE VALUE-LOCKER SUPPLIES	8.49
			TROPHY SHOP-LOCKER NAME PL	31.75
			WALMART-IPAD CASE	39.88
			WALMART-LOCKER SUP	14.94
		WITMER ASSOCIATES INC	HELMET FRONTS	114.00
			TOTAL:	3,929.25
ANIMAL CONTROL	GENERAL FUND	FRY, JAYE	SUCCESSFUL ADOPTION	20.00
			TOTAL:	20.00
STREET LIGHTING	GENERAL FUND	ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC JUN'13	8,778.95
			TOTAL:	8,778.95
TRAFFIC SAFETY	GENERAL FUND	ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC JUN'13	815.07
			TOTAL:	815.07
AIRPORT	GENERAL FUND	WASTE MANAGEMENT	DUMPSTER-JUN'13	61.96
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC JUN'13	286.04
		MCI	LONG DISTANCE	0.74
		WEST AVIATION INC	FBO CONTRACT	1,354.17
			FUEL PROFIT-JUN'13	1,341.26
			TOTAL:	3,044.17
SOLID WASTE CLCT/DSPSL	GENERAL FUND	WASTE MANAGEMENT	GARBAGE COLLECT-JUN'13	37,688.00
		PRAIRIE SOLID WASTE AGENCY	PER CAPITA ASSESSMENT-FY'1	39,170.00
			TOTAL:	76,858.00
LIBRARY SERVICES	GENERAL FUND	CRESTON CITY WATER WORKS	WATER-LIBRARY	14.90
			WATER-LINCOLN SCHOOL	18.14
		WASTE MANAGEMENT	DUMPSTER-JUN'13	40.89
		ALLIANT ENERGY-INT PWR&LGHT	GAS JUN'13	17.43
			ELECTRIC JUN'13	706.66
			1001 W JEFFERSON-ELECTRIC	68.27
			1001 W JEFFERSON-GAS	18.65
		MCI	LONG DISTANCE	8.23

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
		PETTY CASH - MAINTENANCE	AKIN-WOOD 4 LIBRARY	10.36
			TOTAL:	903.53
PARKS	GENERAL FUND	CRESTON ROOFING & SIDING	3 SHELTERS	9,041.22
		FARM & HOME SUPPLY INC	MISC SUPPLIES	437.55
			MISC SUPPLIES	12.97
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC JUN'13	608.92
		INNOVA DISC GOLF	BASKET	205.80
		NAPA	KNUCKLE FOR PTO	86.08
		PETTY CASH - RECREATION	FASTENAL - BITS	3.74
			ELEC MAT SUPP-COUPLER	6.27
			TOTAL:	10,402.55
RECREATION	GENERAL FUND	WASTE MANAGEMENT	DUMPSTER-JUN'13	267.60
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC JUN'13	279.27
		RJ'S PORTABLES	PORTAPOTTIES BALLFIELD	225.00
		AGRILAND FS INC	1 PALLET GRID MARKER	308.64
			TOTAL:	1,080.51
CEMETERY	GENERAL FUND	BARKER IMPLEMENT & MOTOR CO INC	MOWER DRIVE BELT	130.60
			TRIMMER STRING, PIN	197.49
			TIRE	120.49
		WASTE MANAGEMENT	DUMPSTER-JUN'13	61.96
		ALLIANT ENERGY-INT PWR&LGHT	ELECTRIC JUN'13	103.58
		KELLY'S FLOWERS	PLANT & PLANTERS	225.00
			MEMORIAL DAY DECORATION	341.81
		MCI	LONG DISTANCE	1.15
			TOTAL:	1,182.08
SWIMMING POOL	GENERAL FUND	ACCO UNLIMITED CORPORATION	CHLORINE TANK MAINT	773.00
			CHLORINE TANK MAINT	388.92
			REAGENTS	32.85
		CRESTON ROOFING & SIDING	ROOF FOR POOL, 3 SHELTERS	9,080.00
		FARM & HOME SUPPLY INC	GRANULAR CHOLRINE	48.56
		HYGIENIC LABORATORY-AR	WATER SAMPLES FOR POOL	11.00
		ALLIANT ENERGY-INT PWR&LGHT	GAS JUN'13	33.59
			ELECTRIC JUN'13	1,193.19
		ECHO GROUP INC	GFI OUTLET	10.77
		MCI	LONG DISTANCE	2.74
		UNION CO TREASURER	POOL INSPECTION	463.00
			TOTAL:	12,037.62
ECONOMIC DEVELOPMENT	GENERAL FUND	PETTY CASH - MAINTENANCE	TRUE VALUE-HOOKS 4 SIGN	7.04
			TOTAL:	7.04
ADMINISTRATIVE	GENERAL FUND	WOODS, WARREN	REIMB ATURA MEETING LUNCH	8.00
			REIMB LUNCH-ANDERSON.WOODS	16.00
			TOTAL:	24.00
FINANCIAL ADMINISTRATN	GENERAL FUND	TAYLOR, MICHAEL	REIMB MILEAGE-LUNCH	124.39
		BANKERS LEASING CO	CONTRACT	266.79
		CRESTON PUBLISHING CO	LEGAL ADS/NOTICES- JUN'13	105.92
		HEARTLAND TECHNOLOGY SOLUTIONS	MONTHLY FIREWALL MGMT	129.00
		MCI	LONG DISTANCE	40.41
			LONG DISTANCE-FAXES	0.47
		NEOPOST USA INC	INK CARTRIDGE-POSTAGE	103.99

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
		OFFICE DEPOT	OFFICE SUPPLIES	7.78
			OFFICE SUPPLIES	35.47
			OFFICE SUPPLIES	218.96
		PETTY CASH - FINANCE	RECORDING FEES-MOWING NUSA	33.00
			RECORDING FEES-MOWING NUSA	12.00
			RECORDING FEES-QUIT CLAIM	12.00
			TOTAL:	1,090.18
CITY HALL	GENERAL FUND	GREEN VALLEY PEST CONTROL	ANNUAL TERMITE INSPECTION	70.00
		ALLIANT ENERGY-INT PWR&LGHT	GAS JUN'13	66.83
			ELECTRIC JUN'13	628.60
		INNOVATIVE INDUSTRIES INC	JANITORIAL SERVICE-JUN'13	380.00
			TOTAL:	1,145.43
ROAD MAINTENANCE	ROAD USE TAX	ARAMARK (LAUNDRY ACCTS)	LAUNDRY SERVICE	28.50
		DIAMOND VOGEL PAINTS	STREET PAINT	1,705.80
			STREET PAINT	693.95
		GRIMES ASPHALT & PAVING CORP	COLD PATCH	1,960.78
		ALLIANT ENERGY-INT PWR&LGHT	GAS JUN'13	55.51
			ELECTRIC JUN'13	285.14
		ECI	OSHA TRAINING	150.00
		MCI	LONG DISTANCE	3.78
		PETTY CASH - MAINTENANCE	POKORNY-CHAIN SAW FUEL	8.30
			TRUE VALUE-DOOR PULL	11.94
			POKORNY - CHAIN SAW FUEL	7.93
			HEARTLAND TIRE-REPAIR TIRE	13.08
			AKIN-2X6	7.89
			FASTENAL-WIRE NUTS	4.34
			FARMERS COOP-LP GAS	13.00
			AKIN-2X6	6.29
			OFFICE MACHINES-RIBBON	14.69
		SERVICE TECHS INC	5GAL CHAIN OIL	39.80
			SHARPEN CHAIN	24.00
		AGRILAND FS INC	FUEL	8,258.74
		STAR EQUIPMENT LTD	BLADE FOR TARGET SAW	309.00
		TRANS-IOWA EQUIPMENT, INC.	BROOMS	745.13
		K & J HARDWARE INC	TAPE RULE	67.44
			LOPPERS	67.98
			CONCRETE DRILL BITS	99.98
			TOTAL:	14,582.99
ADMIN-STREETS(ENGINR)	ROAD USE TAX	MADISON, BETH	REIMB MILEAGE-TRAINING	108.48
			TOTAL:	108.48
POLICE FORFEITURE	POLICE FORFEITURE	RUNCOOL	HOOD LOUVERS	191.00
		QUALITY GLASS COMPANY	WINDOW TINT K9 UNIT	220.00
			TOTAL:	411.00
MC KINLEY PARK RENOVAT	RESTRICTED GIFTS-M	KMGO-FM RADIO	CONCERT ADS	200.00
		ATLANTIC COCA-COLA BOTTLING CO	CONCERT	223.70
		CLEAR CHANNEL RADIO	CONCERT ADS	342.00
			CONCERT ADS	2,338.00
		CRESTON PUBLISHING CO	CAMPGRD/PARTY PARK ADS-JUN	772.00
		ROBERT WINTERMUTE	PARK CONCERT-BANNER/TSHIRT	94.00
		SWANK MOTION PICTURES INC.	MOVIE-FESTIVAL	371.00
			TOTAL:	4,340.70

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
LIBRARY (RESTRICTED GIF RESTRICTED GIFTS-L OFFICE DEPOT			OFFICE SUPPLIES	71.76
			TOTAL:	71.76
SANITARY SEWER/WASTWTR SEWER OPERATING FU CRESTON CITY WATER WORKS			1/2 ONECALL JUN'13	49.95
WASTE MANAGEMENT			DUMPSTER-JUN'13	75.14
JUSTIN MEADER			FLOW METERING + FREIGHT	228.30
HAWKINS INC.			CHLORINE	660.00
HYGIENIC LABORATORY-AR			1-BOD, TSS	36.00
			2-NH3'S, BOD'S & 1-NIT	72.00
			1-BOD, TSS	54.00
			2-BOD'S, NH3'S-WETT TEST	126.00
			NH3'S	36.00
			TSS	18.00
			BODS	72.00
			TSS	18.00
			CBOD	36.00
			NH3S	36.00
			2 BOD'S	72.00
			2 NH3'S	36.00
			BOD'S	72.00
			LANDFILL TESTING	470.00
			PLANT METALS	116.00
ALLIANT ENERGY-INT PWR&LGHT			GAS JUN'13	607.86
			ELECTRIC JUN'13	5,418.17
MCI			LONG DISTANCE	3.01
NUTRI-JECT SYSTEMS INC			CLEAN LAGOON - PO53528	318.68
PETTY CASH - SANITATION			ECHO	3.24
			NAPA -LIGHT BULB	1.29
UPS			POSTAGE	30.87
			TOTAL:	8,666.51
ANIMAL CONTROL	ANIMAL SHELTER *AG CRESTON PUBLISHING CO		CARE ADS	45.42
	CRESTON VET CLINIC PC		CREDIT DISCOUNT	37.19
			SURGERY, SPAY, DENTAL	315.75
			TOTAL:	323.98

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
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## ===== FUND TOTALS =====

001	GENERAL FUND	128,898.68
110	ROAD USE TAX	14,691.47
120	POLICE FORFEITURE	411.00
166	RESTRICTED GIFTS-MCKNLY P	4,340.70
167	RESTRICTED GIFTS-LIBRARY	71.76
610	SEWER OPERATING FUND	8,666.51
953	ANIMAL SHELTER *AGENCY FU	323.98

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GRAND TOTAL: 157,404.10  
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TOTAL PAGES: 5



CITY OF CRESTON  
MANUAL CHECKS/DEBITS - PERIOD ENDING 7/16/13

NO DEPT ENTERED		
IOWA DEPARTMENT OF REVENUE - SALES TAX		\$854
ELECTRONIC FEDERAL TAX		\$19,264.12
IPERS		
TOTAL ADMINISTRATIVE SVC	FLEX	\$695.18
NO DEPT ENTERED	TOTAL	\$20,813.30
FINANCE DEPARTMENT		
FINANCE DEPARTMENT	TOTAL	\$0
MCKINLEY PARK RESTRICTED FUND		
MCKINLEY PARK RESTRICTED FUND	TOTAL	\$0.00
SELF FUNDING INSURANCE		
TRISTAR BENEFIT	INV CHECK RUN	\$61,867.49
TRISTAR BENEFIT	INV CHECK RUN	\$11,755.19
SELF FUNDING INSURANCE	TOTAL	\$73,622.68
MANUAL CHECKS/DEBITS TOTAL		<u><u>\$94,435.</u></u>

## FUND TRANSFERS FOR PERIOD ENDING:

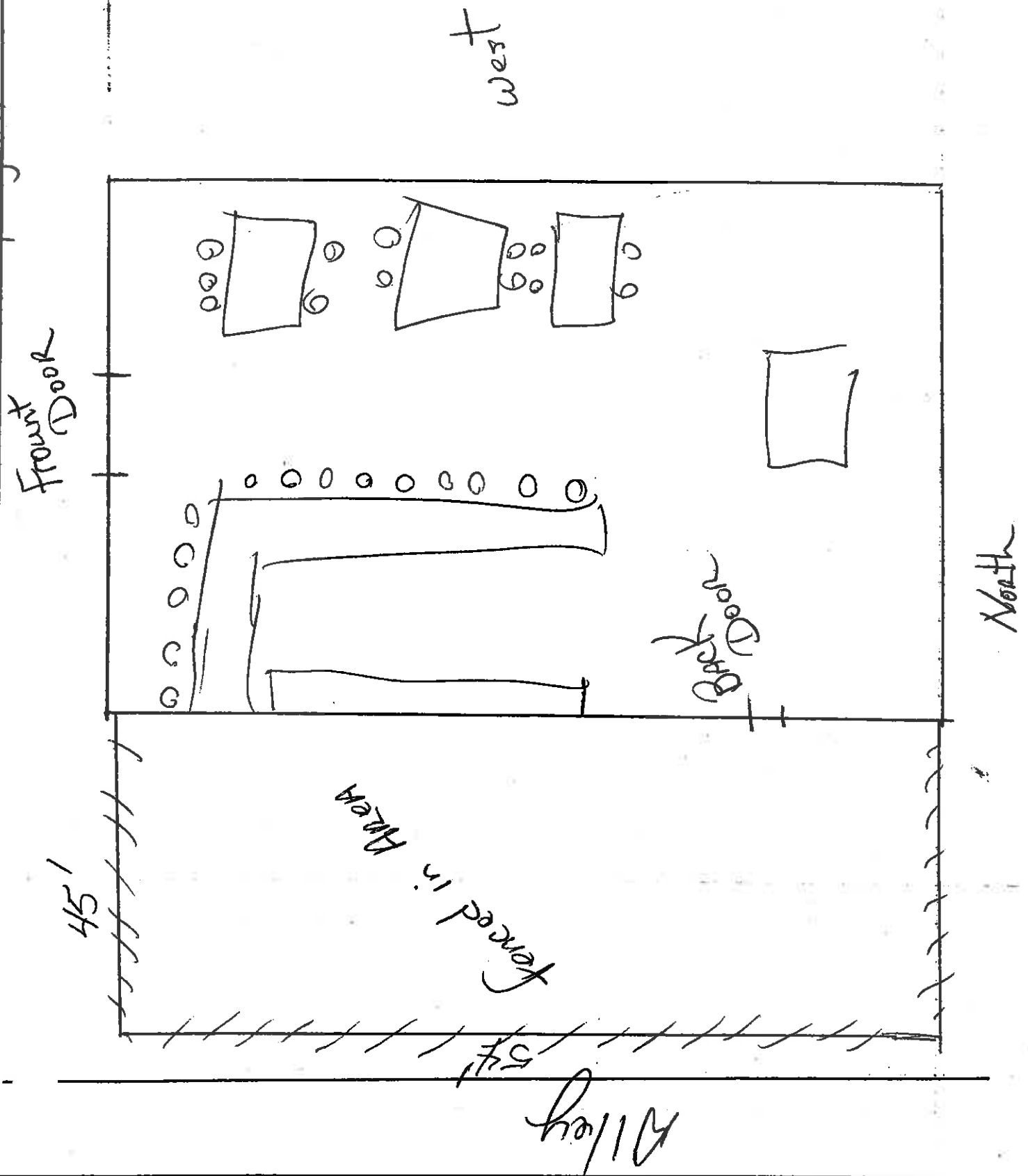
07/17/13  
POSTING DATE

ACTG PER GLJ NO.

THE FOLLOWING TRANSFERS ARE SCHEDULED TO BE MADE AFTER COUNCIL APPROVAL:

AMOUNT	FROM	TO	-G/L ACCT-	DR	CR
\$ 25,003.50	126 TIF-JAMES SBDV FOR: NSP FUNDS VENDOR: UCDA PAYMENT	001 GENERAL FUND	126 6910 126 1110 001 1110 001 4830	25,003.50  25,003.50	 25,003.50 25,003.50
	126 TIF-JAMES SBDV (25%) FOR: SEMI-ANNUAL SCHOLARSHIPS VENDOR: YMCA	001 GENERAL FUND	126 6910 126 1110 001 1110 001 4830	-   	   
	121 L.O.S.T.-PROP TAX RELIEF (50%) FOR: ENG SVCS FOR COTTONWOOD PROJ VENDOR: GARDEN & ASSOCIATED	001 GENERAL FUND	121 6910 121 1110 001 1110 001 4830	   	   
	009 HOTEL-MOTEL TAX FOR: HARDWARE FOR BANNERS VENDOR: DOWNTOWN GRAPHICS NETWORK	001 GENERAL FUND	009 6910 009 1110 001 1110 001 4830	-   	   
	009 HOTEL-MOTEL TAX FOR: ECONOMIC DEVELOPMENT CONTRIBUTION VENDOR: UNION CO PUBLIC FUNDING	001 GENERAL FUND	009 6910 009 1110 001 1110 001 4830	   	   
	009 HOTEL-MOTEL TAX FOR: NEW ROOF VISITOR CENTER VENDOR: RON WEBB ROOFING	001 GENERAL FUND	009 6910 009 1110 200 1110 200 4830	\$0.00  \$0.00	 \$0.00 \$0.00
	009 HOTEL-MOTEL TAX FOR: DEPOSIT ON MEMORIAL ROCK VENDOR: VFW	001 GENERAL FUND	009 6910 009 1110 001 1110 001 4830	-   	   
	121 L.O.S.T.-TAX PROP TAX RELIEF (50%) FOR: HOUSE DEMO'S VENDOR: N/A	001 GENERAL FUND	121 6910 121 1110 001 1110 001 4830	   	   
	121 L.O.S.T.-PROP TAX RELIEF(60%) FOR: BINDER INSURANCE VENDOR: TYLER INSURANCE COMPANY	001 GENERAL FUND	121 6910 121 1110 001 1110 001 4830	   	   
	121 L.O.S.T.-PROP TAX RELIEF (50%) FOR: PARK BLDG VENDOR:	301 CAPITAL PROJECTS	121 6910 121 1110 301 1110 301 4830	   	   

MONTGOMERY STREET PUB



God's Outreach Deliverance Int.  
306 N. Oak Street  
Creston, IA 50801  
(641) 278-1173

July 12, 2013

City of Creston,



God's Outreach Deliverance Int. is requesting a permit to conduct a prayer march on Saturday, August 3, 2013 at 10:00 a.m.

The parade route will begin at the church, 306 N. Oak Street and proceed north on Oak Street to Seneca Street. Turning west onto Seneca we will continue to march west to Sycamore Street then turning north on Sycamore, we will proceed straight north, crossing Townline Road and ending at the Creston High School track and football field.

We are hoping this event will consist of at least thirty or more people marching, a possible Christian drum line and/or a van playing praise music.

The two streets that may need to be blocked off for a short period of time, would be 1) Howard Street at the crossing of Oak and 2) Townline Road as we cross on Sycamore Street.

This prayer march is to kick off the Gospel Explosion event we are having at the Creston High School track and field that day (August 3, 2013) beginning at 12 noon.

If you have any questions please contact Pastor JoAnna Davis: (515) 249-3364.

We are excited about this event and look forward to all that God will be doing on that day.

Thank you for your time and this permit. May God's blessing be upon you as you continue to serve the city of Creston.

Pastor JoAnna Davis, Minister Tyrone Davis, and congregation,  
God's Outreach Deliverance Int.  
306 N. Oak Street  
Creston, IA 50858

(This Notice to be posted)

## NOTICE AND CALL OF PUBLIC MEETING

Governmental Body: The City Council of the City of Creston, State of Iowa.  
Date of Meeting: July 16, 2013  
Time of Meeting: 6:00 o'clock P.M.  
Place of Meeting: Council Chambers, City Hall, 116 West Adams, Creston, Iowa.

PUBLIC NOTICE IS HEREBY GIVEN that the above mentioned governmental body will meet at the date, time and place above set out. The tentative agenda for the meeting is as follows:

- Resolution Approving Post-Issuance Compliance Policy.

Such additional matters as are set forth on the additional \_\_\_\_\_ page(s) attached hereto.  
(number)

This notice is given at the direction of the Mayor pursuant to Chapter 21, Code of Iowa, and the local rules of the governmental body.

Lisa Williamson  
City Clerk, City of Creston, State of Iowa

July 16, 2013

The City Council of the City of Creston, State of Iowa, met in regular session, in the Council Chambers, City Hall, 116 West Adams, Creston, Iowa, at 6:00 o'clock P.M., on the above date. There were present Mayor Warren Woods, in the chair, and the following named Council Members:

\_\_\_\_\_  
  
\_\_\_\_\_

Absent: \_\_\_\_\_

\* \* \* \* \*

Council Member \_\_\_\_\_ introduced the following Resolution entitled "RESOLUTION APPROVING POST-ISSUANCE COMPLIANCE POLICY" and moved that it be adopted. Council Member \_\_\_\_\_ seconded the motion to adopt, and the roll being called thereon, the vote was as follows:

AYES: \_\_\_\_\_

\_\_\_\_\_

NAYS: \_\_\_\_\_

Whereupon, the Mayor declared the Resolution duly adopted as follows:

RESOLUTION APPROVING POST-ISSUANCE  
COMPLIANCE POLICY

WHEREAS, the City of Creston, sometimes hereinafter referred to as the "City", is a municipal corporation duly incorporated, organized and existing under and by virtue of the Constitution and laws of the State of Iowa; and

WHEREAS, various requirements apply under the Internal Revenue Code and Income Tax Regulations (hereinafter "IRS Requirements") including information filing and other requirements related to issuance, the proper and timely use of bond-financed property, and arbitrage yield restriction and rebate requirements; and

WHEREAS, to comply with the IRS Requirements, governmental bond issuers must ensure that the rules are met at the time the bonds, capital loan notes or lease-purchase obligations (hereinafter "bonds") are issued and throughout the term of the bonds; and

WHEREAS, this includes the continued review of post-issuance obligations and maintenance of records:

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF CRESTON, STATE OF IOWA, THAT THE FOLLOWING WRITTEN PROCEDURES ARE ADOPTED WHICH SHALL APPLY WITH RESPECT TO ALL TAX EXEMPT OBLIGATIONS INCURRED BY THE CITY:

Section 1. The "Post Issuance Compliance Policy" (hereinafter "Policy") attached hereto as Exhibit A is hereby adopted and approved.

Section 2. The official designated in said policy shall take any and all action necessary to properly implement the policy.



PASSED AND APPROVED this 16<sup>th</sup> day of July, 2013.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

## CERTIFICATE

STATE OF IOWA

)

) SS

COUNTY OF UNION

)

I, the undersigned City Clerk of the City of Creston, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the City showing proceedings of the City Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective City offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the City hereto affixed this 16<sup>th</sup> day of July, 2013.

City Clerk, City of Creston, State of Iowa

(SEAL)

## EXHIBIT "A"

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### POST-ISSUANCE COMPLIANCE POLICY FOR TAX-EXEMPT OBLIGATIONS

1. Compliance Coordinator:

- a) The \_\_\_\_\_ ("Coordinator") shall be responsible for monitoring post-issuance compliance.
- b) The Coordinator will maintain a copy of the transcript of proceedings in connection with the issuance of any tax-exempt obligations. Coordinator will obtain such records as are necessary to meet the requirements of this policy.
- c) The Coordinator shall consult with bond counsel, a rebate consultant, financial advisor, IRS publications and such other resources as are necessary to understand and meet the requirements of this policy.
- d) Training and education of Coordinator will be sought and implemented upon the occurrence of new developments and upon the hiring of new personnel to implement this policy.

2. Financing Transcripts. The Coordinator shall confirm the proper filing of an 8038 Series return, and maintain a transcript of proceedings for all tax-exempt obligations issued by the City, including but not limited to all tax-exempt bonds, notes and lease-purchase contracts. Each transcript shall be maintained until eleven (11) years after the tax-exempt obligation it documents has been retired. Said transcript shall include, at a minimum:

- a) Form 8038s;
- b) minutes, resolutions, and certificates;
- c) certifications of issue price from the underwriter;
- d) formal elections required by the IRS;
- e) trustee statements;
- f) records of refunded bonds, if applicable;
- g) correspondence relating to bond financings; and
- h) reports of any IRS examinations for bond financings.

3. Proper Use of Proceeds. The Coordinator shall review the resolution authorizing issuance for each tax-exempt obligation issued by the City, and that the Coordinator shall:

- a) obtain a computation of the yield on such issue from the City's financial advisor;
- b) create a separate Project Fund (with as many sub-funds as shall be necessary to allocate proceeds among the projects being funded by the issue) into which the proceeds of issue shall be deposited;
- c) review all requisitions, draw schedules, draw requests, invoices and bills requesting payment from the Project Fund;
- d) determine whether payment from the Project Fund is appropriate, and if so, make payment from the Project Fund (and appropriate sub-fund if applicable);
- e) maintain records of the payment requests and corresponding records showing payment;
- f) maintain records showing the earnings on, and investment of, the Project Fund;
- g) ensure that all investments acquired with proceeds are purchased at fair market value;
- h) identify bond proceeds or applicable debt service allocations that must be invested with a yield-restriction and monitor the investments of any yield-restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted;
- i) maintain records related to any investment contracts, credit enhancement transactions, and the bidding of financial products related to the proceeds;

4. Timely Expenditure and Arbitrage/Rebate Compliance. The Coordinator shall review the Tax-Exemption Certificate (or equivalent) for each tax-exempt obligation issued by the City and the expenditure records provided in Section 2 of this policy, above, and shall:

- a) monitor and ensure that proceeds of each such issue are spent within the temporary period set forth in such certificate;
- b) if the City does not meet the "small issuer" exception for said obligation, monitor and ensure that the proceeds are spent in accordance with one or more of the applicable exceptions to rebate as set forth in such certificate;
- c) not less than 60 days prior to a required expenditure date confer with bond counsel and a rebate consultant if the City will fail to meet the applicable temporary period or rebate exception expenditure requirements of the Tax-Exemption Certificate; and
- d) in the event the City fails to meet a temporary period or rebate exception:
  - i. procure a timely computation of any rebate liability and, if rebate is due, file a Form 8038-T and arrange for payment of such rebate liability;
  - ii. arrange for timely computation and payment of "yield reduction payments" (as such term is defined in the Code and Treasury Regulations), if applicable.

5. Proper Use of Bond Financed Assets. The Coordinator shall:

- a) maintain appropriate records and a list of all bond financed assets. Such records shall include the actual amount of proceeds (including investment earnings) spent on each of the bond financed assets;
- b) with respect to each bond financed asset, the Coordinator will monitor and confer with bond counsel with respect to all proposed:
  - i. management contracts,
  - ii. service agreements,
  - iii. research contracts,
  - iv. naming rights contracts,
  - v. leases or sub-leases,
  - vi. joint venture, limited liability or partnership arrangements,
  - vii. sale of property; or
  - viii. any other change in use of such asset;

- c) maintain a copy of the proposed agreement, contract, lease or arrangement, together with the response by bond counsel with respect to said proposal for at least three (3) years after retirement of all tax-exempt obligations issued to fund all or any portion of bond financed assets; and
- d) In the event the City takes an action with respect to a bond financed asset, which causes the private business tests or private loan financing test to be met, the Coordinator shall contact bond counsel and ensure timely remedial action under IRS Regulation Sections 1.141-12.

6. General Project Records. For each project financed with tax-exempt obligations, the Coordinator shall maintain, until three (3) years after retirement of the tax-exempt obligations or obligations issued to refund those obligations, the following:

- a) appraisals, demand surveys or feasibility studies,
- b) applications, approvals and other documentation of grants,
- c) depreciation schedules,
- d) contracts respecting the project.

7. Advance Refundings. The Coordinator, shall be responsible for the following current, post issuance and record retention procedures with respect to advance refunding bonds:

- a) Identify and select bonds to be advance refunded with advice from internal financial personnel, and a financial advisor;
- b) The Coordinator shall identify, with advice from the financial advisor and bond counsel, any possible federal tax compliance issues prior to structuring any advance refunding;
- c) The Coordinator shall review the structure with the input of the financial advisor and bond counsel, of advance refunding issues prior to the issuance to ensure (i) that the proposed refunding is permitted pursuant to applicable federal tax requirements if there has been a prior refunding of the original bond issue; (ii) that the proposed issuance complies with federal income tax requirements which might impose restrictions on the redemption date of the refunded bonds; (iii) that the proposed issuance complies with federal income tax requirements which allow for the proceeds and replacement proceeds of an issue to be invested temporarily in higher yielding investments without causing the advance refunding bonds to become "arbitrage bonds"; and (iv) that the proposed issuance will not result in the issuer's exploitation of the difference between tax exempt and taxable interest rates to obtain an financial advantage nor overburden the tax

exempt market in a way that might be considered an abusive transaction for federal tax purposes.

- d) The Coordinator shall collect and review data related to arbitrage yield restriction and rebate requirements for advance refunding bonds. To ensure such compliance, the Coordinator shall engage a rebate consultant to prepare a verification report in connection with the advance refunding issuance. Said report shall ensure said requirements are satisfied.
- e) The Coordinator shall, whenever possible, purchase SLGS to size each advance refunding escrow. The financial advisor shall be included in the process of subscribing SLGS. To the extent SLGS are not available for purchase, the Coordinator shall, in consultation with bond counsel and the financial advisor, comply with IRS regulations.
- f) To the extent as issuer elects to the purchase a guaranteed investment contract, the Coordinator shall ensure, after input from bond counsel, compliance with any bidding requirements set forth by the IRS regulations.
- g) In determining the issue price for any advance refunding issuance, the Coordinator shall obtain and retain issue price certification by the purchasing underwriter at closing.
- h) After the issuance of an advance refunding issue, the Coordinator shall ensure timely identification of violations of any federal tax requirements and engage bond counsel in attempt to remediate same in accordance with IRS regulations.

8. Continuing Disclosure. The Coordinator shall assure compliance with each continuing disclosure certificate and annually, per continuing disclosure agreements, file audited annual financial statements and other information required by each continuing disclosure agreement. The Coordinator will monitor material events as described in each continuing disclosure agreement and assure compliance with material event disclosure. Events to be reported shall be reported promptly, but in no event not later than ten (10) Business Days after the day of the occurrence of the event. Currently, such notice shall be given in the event of:

- a) Principal and interest payment delinquencies;
- b) Non-payment related defaults, if material;
- c) Unscheduled draws on debt service reserves reflecting financial difficulties;

- d)     Unscheduled draws on credit enhancements relating to the bonds reflecting financial difficulties;
- e)     Substitution of credit or liquidity providers, or their failure to perform;
- f)     Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the bonds, or material events affecting the tax-exempt status of the bonds;
- g)     Modifications to rights of Holders of the Bonds, if material;
- h)     Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
- i)     Defeasances of the bonds;
- j)     Release, substitution, or sale of property securing repayment of the bonds, if material;
- k)     Rating changes on the bonds;
- l)     Bankruptcy, insolvency, receivership or similar event of the Issuer;
- m)     The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- n)     Appointment of a successor or additional trustee or the change of name of a trustee, if material.



DRAPER, SNODGRASS, MIKKELSEN & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

FAX (641) 782-8423

PHONE (641) 782-8421 — P.O. Box 71

MEMBERS - IOWA SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs

309 EAST MONTGOMERY STREET  
CRESTON, IOWA 50801

July 9, 2013

To the Honorable Mayor and City Council  
City of Creston, Iowa  
Creston, IA 50801

We are engaged to audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Creston, Iowa for the year ended June 30, 2012. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated July 9, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider City of Creston, Iowa's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether City of Creston, Iowa's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with OMB Circular A-133, we will examine, on a test basis, evidence about City of Creston, Iowa's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to

each of its major federal programs for the purpose of expressing an opinion on City of Creston, Iowa's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on City of Creston, Iowa's compliance with those requirements.

#### Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

#### Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will communicate our significant findings at the conclusion of the audit. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately July 15, 2013 and issue our report on approximately October 15, 2013.

This information is intended solely for the use of the City Council and management of City of Creston, Iowa and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Draper, Snodgrass, Mikkelsen & Co., P.C.*

Draper, Snodgrass, Mikkelsen & Co., P.C.

**DRAPER, SNODGRASS, MIKKELSEN & CO., P.C.**

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309 EAST MONTGOMERY STREET  
CRESTON, IOWA 50801

July 9, 2013

**COPY**

To the Honorable Mayor and City Council  
City of Creston, Iowa  
Creston, IA 50801

We are pleased to confirm our understanding of the services we are to provide for the City of Creston, Iowa for the year ended June 30, 2013. We will audit the financial statements of the government activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements, of the City of Creston, Iowa as of and for the year ended June 30, 2013. Accounting standards generally accepted in the United States provide for certain required supplemental information (RSI), such as management's discussion and analysis (MD&A), to accompany the City of Creston, Iowa's financial statements. As part of our engagement, we will apply certain limited procedures to the City of Creston, Iowa's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies City of Creston, Iowa's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of expenditures of federal awards.

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance and OMB Circular A-133 in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements or the Single Audit compliance opinions are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements, schedule of expenditures of federal awards, and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and the schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Creston, Iowa and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to

us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information

### **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the

appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

### **Audit Procedures – Internal Control**

Our audit will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of our audit procedures to be performed. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and OMB Circular A-133.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Creston, Iowa's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Circular A-133 Compliance Supplement and related addenda for

the types of compliance requirements that could have a direct and material effect on each of City of Creston, Iowa's major programs. The purpose of these procedures will be to express an opinion on City of Creston, Iowa's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

#### **Engagement Administration, Fees and Other**

We understand that your employees will type all cash or other confirmations we request and will locate any invoices selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Draper, Snodgrass, Mikkelsen & Co., P.C. and constitutes confidential information. However, we may be requested to make certain workpapers available to requesting federal agencies and the Iowa Auditor of State's Office pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of Draper, Snodgrass, Mikkelsen & Co., P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to such parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other government agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by federal agencies or the State of Iowa. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

The audit report will be ready and available no later than October 1 and issued upon your request unless there are delays in closing the books or circumstances that prevent us from doing interim work, or other circumstances, in which case we may request an extension of the time to complete the audit.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Invoices will be rendered as work progresses and are payable upon presentation.



OLSEN, MUHLBAUER & CO., L.L.P.

*Certified Public Accountants*

ATTNERS

RICHARD D. MUHLBAUER  
PATRICK J. O'BRIEN  
TRUDENE L. WITTMAACK  
KARLA L. FULTON  
TAMMY M. BRUCH  
ROBERT L. MUHLBAUER

1127 PLAZA DR.  
VILLAGE PARK EAST  
CARROLL, IOWA 51401  
712-792-4314  
FAX 712-792-4503

SYSTEM REVIEW REPORT

June 25, 2012

To the Shareholders

Draper, Snodgrass, Mikkelsen & Co., P.C.

and the Peer Review Committee of the Iowa Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Draper, Snodgrass, Mikkelsen & Co., P.C. (the firm) in effect for the year ended April 30, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included an audit under Government Auditing Standards.

In our opinion, the system of quality control for the accounting and auditing practice of Draper, Snodgrass, Mikkelsen & Co., P.C. in effect for the year ended April 30, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Draper, Snodgrass, Mikkelsen & Co., P.C. has received a peer review rating of *pass*.

*Olsen, Muhlbauer & Co., LLP*

Olsen, Muhlbauer & Co., L.L.P.  
Certified Public Accountants

REC'D JUL 10 2013



# Iowa Department of Transportation

800 Lincoln Way, Ames, Iowa 50010

Phone: 515-239-1048  
Fax: 515-233-7983  
[Kay.thede@dot.iowa.gov](mailto:Kay.thede@dot.iowa.gov)  
[www.iowadot.gov/aviation](http://www.iowadot.gov/aviation)

July 9, 2013

Creston Municipal  
Mike Taylor  
116 W Adams  
Creston, IA 50801

Dear Mike:

Congratulations! The FY 2014 State Airport Development Program projects you requested were approved for funding by the Iowa Transportation Commission on July 9, 2013. The Iowa DOT grant awards are for:  
pavement maintenance – 70% of eligible costs up to a maximum state share of \$63,000 and  
construct T-hangar access taxiway - 85% of eligible costs up to a maximum state share of \$85,000.

Enclosed are two copies of each project agreement between the airport sponsor and the Iowa Department of Transportation (Iowa DOT). The authorized sponsor should sign both copies, return one copy of each project agreement to my office, and keep one copy for your file. You are authorized to begin your projects after the sponsor signature is applied and one copy is mailed back to the Iowa DOT.

Please review the agreement noting your required responsibilities and assurances, required affirmative action, targeted small business and audit requirements. If you will be requesting reimbursement for engineering services, you will need to provide me with a copy of the agreement. The Iowa DOT recommends that your engineering agreements are either lump sum, or cost plus with fixed overhead rate and maximum dollar amount. Any engineering agreement more than \$50,000 must have a pre-audit completed by the Iowa DOT. All engineering agreements that are paid with state funds are subject to a final audit. Please include state related nondiscrimination and targeted small business clauses in your agreements.

The project must be under obligation within 12 months. Please note that only expenses incurred on or after the signature date on the agreement are eligible for reimbursement. Submit claims for reimbursement with copies of invoices, canceled checks or other documentation that the bills have been paid. Reimbursement will be in whole dollars, rounding down; however, the final reimbursement request may include any 'lost cents' up to the maximum grant amount.

A final acceptance form must be completed and submitted with the final claim for reimbursement. Required forms can be downloaded from the Office of Aviation Web site at <http://www.iowadot.gov/aviation/managersandsponsors/forms.html>.

If you have any questions regarding this information, please call me at 515-239-1048. Good luck with your airport project!

Sincerely,

A handwritten signature in cursive script that reads "Kay Thede".

Kay Thede  
Aviation Program Manager

Enclosures

cc: Michelle McEnany, Office of Aviation Director

**IOWA DEPARTMENT OF TRANSPORTATION  
AGREEMENT  
FOR THE FISCAL YEAR 2014  
Airport Improvement Program**

This AGREEMENT is made between the Iowa Department of Transportation called the "Iowa DOT" and City of Creston, hereafter the "SPONSOR".

**1.00 PURPOSE:** The purpose of this agreement is to set forth terms, conditions and obligations for accomplishment of certain improvements at the **Creston Municipal** hereafter the "Airport."

Improvements shall consist of: **Construct t hangar access taxiway**, as more clearly defined in the project application.

It shall be referred to as the "Project" and shall be identified by  
Project number: **9I140CSQ100**  
Contract number: **15229**

**7.0 GENERAL PROVISIONS**

- 2.01 The SPONSOR shall have the project under contract no later than 12 months after the date of the agreement or the Iowa DOT reserves the right to revoke this grant.
- 2.22 The Iowa DOT agrees to reimburse the SPONSOR **85%** of the eligible project costs, not to exceed the maximum amount payable of **\$85,000**, incurred according to the terms of this agreement. Reimbursement will be made in whole dollar amounts only, rounded down. Final payment request may include documentation of unreimbursed amounts due to rounding, and final reimbursement will be made up to the contract amount in whole dollars.
- 2.23 All projects meeting the definition of public improvements shall follow the competitive bid and competitive quotation procedures for vertical infrastructure as identified in Chapter 26 of the Code of Iowa and 761 Iowa Administrative Code Chapter 180.  
(<http://www.legis.state.ia.us/Rules/Current/iac/761iac/t180/t180.pdf> )
- Competitive bid procedures for all projects greater than \$130,000.
  - Competitive quotation procedures for airport authorities and city sponsors with populations greater than 50,000 for projects between \$72,000 and \$130,000
  - Competitive quotation procedures for airport authorities and city sponsors with population of 50,000 or less for projects between \$50,000 and \$130,000,
  - Informal local procedures for projects less than the thresholds identified for competitive quotations.

The SPONSOR shall follow requirements of the Iowa Code Section 544A.18, 193B Iowa Administrative Code Chapter 5, Chapter 542B of the Code of Iowa, and 193C Administrative Code Chapter 1 to determine when professional engineering or architectural plans and specifications must be used. The SPONSOR shall submit any plans, specifications and other contract documents to the Iowa DOT for its files.

- 2.24 Should the SPONSOR fail to comply with any Condition or Assurance provided herein, the Iowa DOT may withhold further payment and may require reimbursement of any or all payments made by the Iowa DOT toward accomplishment of the Project.
- 2.25 The Iowa DOT shall not waive any right of authority by making payments pursuant to this agreement, and such payments shall not constitute approval or acceptance of any part of the Project.
- 2.61 Neither the Department nor the Sponsor intend to create rights in, and shall not be liable to, any third parties by reason of this agreement.
- 2.62 If any provision of this agreement is held invalid, the remainder of this agreement shall not be affected thereby if such remainder would then continue to conform to applicable law and the intent of this agreement.
- 2.63 The Iowa DOT shall determine what costs charged to the project account are eligible for participation under the terms of this agreement and the SPONSOR shall bear all additional costs accepted and paid. Only those eligible costs incurred after this agreement is executed shall be reimbursed, unless the SPONSOR receives written notice from the Iowa DOT that the Sponsor has authority to incur costs.
- 2.64 Notwithstanding any other provisions of this agreement, the Iowa DOT shall have the right to enforce, and may require the SPONSOR to comply with, any and all Conditions and Assurances agreed to herein.
- 2.65 The Iowa DOT's obligations hereunder shall cease immediately, without penalty of further payment being required, in any year for which the General Assembly of the State of Iowa fails to make an appropriation or reappropriation to pay such obligations, and the Iowa DOT's obligations hereunder shall cease immediately without penalty of further payment being required at any time where there are not sufficient authorized funds lawfully available to the Iowa DOT to meet such obligations. The Iowa DOT shall give the SPONSOR notice of such termination of funding as soon as practicable after the Iowa DOT becomes aware of the failure of funding. In the event the Iowa DOT provides such notice, the SPONSOR may terminate this agreement or any part thereof.
- 2.66 The SPONSOR is the contracting agent and, as such, retains sole responsibility for compliance with local, state and federal laws and regulations related to accomplishment of the Project. The sponsor shall ensure compliance with Title VI of the Civil Rights Act of 1964, 78 STAT. 252, 42 U.S.C. 2000d-42 U.S.C. 2000d-4, and all requirements imposed by or pursuant to the end that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Iowa DOT.

In accordance with Iowa Code Chapter 216, the SPONSOR shall not discriminate against any person on the basis of race, color, creed, age, sex, sexual orientation, gender identity, national origin, religion, pregnancy, or disability.

- 2.67 Funding will be available for reimbursement of the project for three fiscal years after the date of the agreement, unless appropriations are withdrawn under 2.10. Assurances in this agreement remain in full force and effect for a period of 20 years from the date of the agreement.
- 2.68 The SPONSOR agrees to indemnify, defend, and to hold the Iowa DOT harmless from any action or liability out of the design, construction, maintenance and inspection or use of this project. This agreement to indemnify, defend, and hold harmless applies to all aspects of the Iowa DOT's application review and approval process, plan and construction reviews, and funding participation.
- 2.69 In the case of any dispute concerning the terms of this agreement, the parties shall submit the matter to arbitration pursuant to the Iowa Code Chapter 679A. Either party has the right to submit the matter to arbitration after 10 days notice to the other party of the intent to seek arbitration. The written notice must include a precise statement of the dispute. The Iowa DOT and the SPONSOR agree to be bound by the decision of the appointed arbitrator. Neither party may seek any remedy with the State or Federal courts absent exhaustion of the provisions of this paragraph for arbitration.
- 2.70 Infrastructure and/or work products developed through this grant become the property of the SPONSOR and the SPONSOR's responsibility to maintain.
- 2.71 The attached Exhibit A, "Utilization of Targeted Small Business (TSB) Enterprises on Non-Federal Aid Projects (Third-Party State Assisted Projects)," will apply and is hereby made a part of this Agreement.

### **3.00 PROJECT CONDITIONS**

- 3.01 The SPONSOR Agrees to:
- (a) Let contracts according to provisions of Chapter 26 of the Iowa Code and preside at all public hearings occasioned by the Project.
  - (b) Contract for all professional and construction services as needed, submitting a copy of any engineering/consultant contract to the Iowa DOT. If the engineering/consultant agreement is more than \$50,000 and the sponsor will request state reimbursement for the engineering/consultant services, the agreement must be submitted to the Iowa DOT for pre-audit prior to execution of the agreement.
  - (c) Establish and maintain a project schedule and provide the schedule to the Iowa DOT.
  - (d) Obtain and provide the sales tax exemption certificates through the Iowa Department of Revenue and Finance to the successful bidder and any subcontractors to enable them to purchase qualifying materials for the project free of sales tax.
  - (e) Submit to the Iowa DOT a Request for Reimbursement form, copies of invoices, and proof of payment for reimbursement. Progress payments are allowed.
  - (f) Inspect work and equipment, test materials, and control construction to ensure that the design intent of the plans and specifications is achieved.
  - (g) Inform the Iowa DOT of construction completion and allow the Iowa DOT access to review the completed project.
  - (h) Certify satisfactory completion of the Project by resolution or signed final acceptance form and provide a copy to the Iowa DOT.
  - (i) Retain all records relating to project cost, including supporting documents, for a period

of three (3) years following final payment by the Iowa DOT, and to make such records and documents available to Iowa DOT personnel for audit.

- (j) Ensure that applicable General Provisions and Project Conditions are included in any agreement between the SPONSOR and Engineer/Consultant.

#### **4.00 SPECIAL PROVISIONS**

4.01 None

#### **5.00 SPONSOR ASSURANCES**

By authorizing execution of this agreement the SPONSOR hereby certifies that:

- 5.11 It will not enter into any transaction which would operate to deprive it of any of the rights and powers necessary to perform any or all of the assurances made herein, unless by such transaction the obligation to perform all such covenants are assumed by another public agency found by the Iowa DOT to be eligible under the laws of the State of Iowa to assume such obligations and to have the power, authority, and financial resources to carry out all such obligations. If an arrangement is made for the management or operation of the Airport by any agency or person other than the SPONSOR or an employee of the SPONSOR, the SPONSOR will reserve sufficient rights and authority to insure that the Airport will be operated and maintained in accordance with these assurances.
- 5.12 It will not dispose of or encumber its title or other interests in the site and facilities during the 20-year period of this agreement.
- 5.28 It will operate and maintain in a safe and serviceable condition the Airport and all facilities thereon and connected therewith which are necessary to service the aeronautical users of the Airport and will not permit any activity thereon which would interfere with its use for airport purposes.
- 5.29 Insofar as it is within its power and reasonable, the Sponsor will, either by the acquisition and retention of easements or other interests in or rights for the use of land or airspace and by the adoption and enforcement of zoning regulations, prevent the construction, erection, alteration, or growth of any structure, tree, or other object in the approach areas of the runways of the Airport, which would constitute an obstruction to air navigation according to the criteria or standards prescribed in Section 77.23 as applied to Section 77.25, Part 77, of the Federal Aviation Regulations. In addition, the Sponsor will not erect or permit the erection of any permanent structure or facility which would interfere materially with the use, operation, or future development of the Airport, or any portion of a runway approach area in which the Sponsor has acquired, or hereafter acquires.
- 5.30 It will operate and maintain the facility in accordance with the minimum standards as may be required or prescribed by the Iowa DOT for the maintenance and operation of such facilities as identified in the Iowa Administrative Code 761-Chapter 720.10
- 5.31 It will operate the Airport as such for the use and benefits of the public. In furtherance of this covenant (but without limiting its general applicability and effect), the SPONSOR specifically

agrees that it will keep the Airport open to all types, kinds, and classes of aeronautical use on fair and reasonable terms without unlawful discrimination between such types, kinds, and classes. The SPONSOR may establish such fair, equal, and not unjustly discriminatory conditions to be met by all users of the Airport as may be necessary for the safe and efficient operation of the airport. The SPONSOR may also prohibit or limit any given type, kind, or class of aeronautical use of the Airport if such action is necessary for the safe operation of the Airport or necessary to serve the civil aviation need of the public. It will operate the Airport on fair and reasonable terms, and without unjust discrimination.

- 5.32 The SPONSOR will keep up-to-date and provide to the Iowa DOT an airport layout plan. The SPONSOR will not make or permit the making of any changes or alterations in the Airport or any of its facilities other than in conformity with the airport layout plan, if such changes or alterations might adversely affect the safety, utility, or efficiency of the Airport.

- 6.00 **EXECUTION OF THE AGREEMENT.** By resolution made a part of this agreement the SPONSOR authorized the undersigned to execute this agreement.

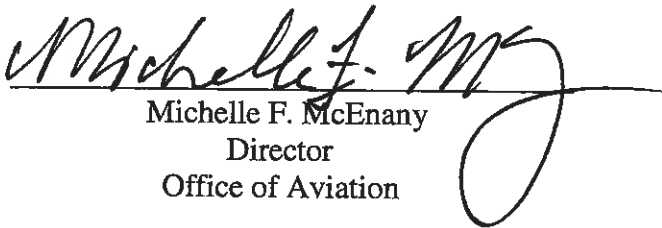
Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, on behalf of the SPONSOR.

By: \_\_\_\_\_ Attested: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Signed this 9<sup>th</sup> day of July, 2013, on behalf of the Iowa Department of Transportation.

By:

  
Michelle F. McEnany  
Director  
Office of Aviation

# **Exhibit A**

## **CONTRACT PROVISION**

### **Targeted Small Business (TSB) Affirmative Action Responsibilities** on Non-Federal Aid Projects (Third-Party State-Assisted Projects)

**May 2012**



## CONTRACT PROVISION

### Targeted Small Business (TSB) Affirmative Action Responsibilities on Non-Federal-aid Projects (Third-party State-Assisted Projects)

#### 1. TSB DEFINITION

A TSB is a small business, as defined by Iowa Code Section 15.102(5), which is 51% or more owned, operated and actively managed by one or more women, minority persons or persons with a disability. Generally this is a for-profit small business enterprise under single management, is located in Iowa and has an annual gross income of less than 3 million dollars computed as an average of the three preceding fiscal years.

#### 2. TSB REQUIREMENTS

In all State-assisted projects made available through the Iowa Department of Transportation, local governments have certain affirmative action requirements to encourage and increase participation of disadvantaged individuals in business enterprises. These requirements are based on Iowa Code Section 19B.7 and 541 Iowa Administrative Code Chapter 4. These requirements supersede all existing TSB regulations, orders, circulars and administrative requirements.

#### 3. TSB DIRECTORY INFORMATION

Available from: Iowa Department of Inspections and Appeals  
Targeted Small Business  
Lucas Building  
Des Moines, IA 50319  
Phone: 515-281-7102  
Website: <http://dia.iowa.gov/page7.html>

#### 4. THE CONTRACTOR'S TSB POLICY

The contractor is expected to promote participation of disadvantaged business enterprises as suppliers, manufactures and subcontractors through a continuous, positive, result-oriented program. Therefore the contractor's TSB policy shall be:

It is the policy of this firm that Targeted Small Business (TSB) concerns shall have the maximum practical opportunity to participate in contracts funded with State-assisted funds which are administered by this firm (e.g. suppliers, manufactures and subcontractors). The purpose of our policy is to encourage and increase the TSB participation in contracting opportunities made available by State-assisted programs.

#### 5. CONTRACTOR SHALL APPOINT AN EQUAL EMPLOYMENT OPPORTUNITY (EEO) OFFICER

The contractor shall designate a responsible person to serve as TSB officer to fulfill the contractors affirmative action responsibilities. This person shall have the necessary statistics, funding, authority and responsibility to carry out and enforce the firm's EEO policy. The EEO officer shall be responsible for developing, managing and implementing the program on a day-to-day basis. The officer shall also:

- A. For current TSB information, contact the Iowa Department of Inspections and Appeals (515-281-7102)

## TSB Affirmative Action Responsibilities

to identify potential material suppliers, manufactures and contractors.

- B. Make every reasonable effort to involve TSBs by soliciting quotations from them and incorporating them into the firm's bid.
- C. Make every reasonable effort to establish systematic written and verbal contact with those TSBs having the materials or expertise to perform the work to be subcontracted, at least two weeks prior to the time quotations are to be submitted. Maintain complete records of negotiation efforts.
- D. Provide or arrange for assistance to TSBs in seeking bonding, analyzing plans/specifications or other actions that can be viewed as technical assistance.
- E. Ensure the scheduled progress payments are made to TSBs as agreed in subcontract agreements.
- F. Require all subcontractors and material suppliers to comply with all contract equal opportunity and affirmative action provisions.

### 6. COUNTING TSBs PARTICIPATION ON A PROJECT

TSBs are to assume actual and contractual responsibilities for provision of materials/supplies, subcontracted work or other commercially useful function.

#### A. The bidder may count:

- (1) Planned expenditures for materials/supplies to be obtained from TSB suppliers and manufacturers; or
- (2) Work to be subcontracted to a TSB; or
- (3) Any other commercially useful function.

#### B. The contractor may count:

- (1) 100% of an expenditure to a TSB manufacturer that produces/supplies goods manufactured from raw materials.
- (2) 60% of an expenditure to TSB suppliers that are not manufacturers; provided the suppliers perform a commercially useful function in the supply process.
- (3) Only those expenditures to TSBs that perform a commercially useful function in the work of a contract, including those as a subcontractor.
- (4) Work the Contracting Authority has determined that it involves a commercially useful function. The TSB must have a necessary and useful role in the transaction of a kind for which there is a market outside the context of the TSB program. For example, leasing equipment or purchasing materials from the prime contractor would not count.

### 7. REQUIRED DATA, DOCUMENTS AND CONTRACT AWARD PROCEDURES FROM BIDDERS/CONTRACTORS FOR PROJECTS WITH ASSIGNED GOALS

#### A. Bidders

Bidders who fail to demonstrate reasonable positive efforts may be declared ineligible to be awarded

the contract. Bidders shall complete the bidding documents plus a separate form called "TSB Pre-Bid Contact Information". This form includes:

- (1) Name(s) of the TSB(s) contacted regarding subcontractable items.
- (2) Date of the contract.
- (3) Whether or not a TSB bid/quotation was received.
- (4) Whether or not the TSB's bid/quotation was used.
- (10) The dollar amount proposed to be subcontracted.

B. Contractors Using Quotes from TSBs

Use those TSBs whose quotes are listed in the "Quotation Used in Bid" column along with a "yes" indicated on the Pre-bid Contact Information form.

C. Contractors NOT Using Quotes from TSBs

If there are no TSBs listed on the Pre-bid Contract Information form, then the contractor shall document all efforts made to include TSB participation in this project by documenting the following:

- (1) What pre-solicitation or pre-bid meetings scheduled by the contracting authority were attended?
- (2) Which general news circulation, trade associations and/or minority-focused media were advertised concerning the subcontracting opportunities?
- (3) Were written notices sent to TSBs that TSBs were being solicited and was sufficient time allowed for the TSBs to participate effectively?
- (4) Were initial solicitations of interested TSBs followed up?
- (5) Were TSBs provided with adequate information about the plans, specifications and requirements of the contract?
- (6) Were interested TSBs negotiated with in good faith? If a TSB was rejected as unqualified, was the decision based on an investigation of their capabilities?
- (7) Were interested TSBs assisted in obtaining bonding, lines of credit or insurance required by the contractor?
- (8) Were services used of minority community organization, minority contractors groups; local, State and Federal minority business assistance offices or any other organization providing such assistance.

The above documentation shall remain in the contractor's files for a period of three (3) years after the completion of the project and be available for examination by the Iowa Department of Inspections and Appeals.

8. POSITIVE EFFORT DOCUMENTATION WHEN NO GOALS ARE ASSIGNED

Contractors are also required to make positive efforts in utilizing TSBs on all State-assisted projects which are not assigned goals. Form "TSB Pre-bid Contact Information" is required to be submitted with bids on all projects. If there is no TSB participation, then the contractor shall comply with section 7C. of this document prior to the contract award.



**UTILIZATION OF TARGETED SMALL BUSINESS (TSB) ENTERPRISES  
ON NON-FEDERAL AID PROJECTS  
(THIRD-PARTY STATE-ASSISTED PROJECTS)**

In accordance with Iowa Code Section 19B.7 and 541 Iowa Administrative Code (IAC) Chapter 4, it is the policy of the Iowa Department of Transportation (Iowa DOT) that Targeted Small Business (TSB) enterprises shall have the maximum practicable opportunity to participate in the performance of contracts financed in whole or part with State funds.

Under this policy the Recipient shall be responsible to make a positive effort to solicit bids or proposals from TSB firms and to utilize TSB firms as contractors or consultants. The Recipient shall also ensure that the contractors or consultants make positive efforts to utilize TSB firms as subcontractors, subconsultants, suppliers, or participants in the work covered by this agreement.

The Recipient's "positive efforts" shall include, but not be limited to:

31. Obtaining the names of qualified TSB firms from the Iowa Department of Inspections and Appeals (515-281-7102) or from its website at: <http://dia.iowa.gov/page7.html>.
32. Notifying qualified TSB firms of proposed projects involving State funding. Notification should be made in sufficient time to allow the TSB firms to participate effectively in the bidding or request for proposal (RFP) process.
33. Soliciting bids or proposals from qualified TSB firms on each project, and identifying for TSB firms the availability of subcontract work.
34. Considering establishment of a percentage goal for TSB participation in each contract that is a part of this project and for which State funds will be used. Contract goals may vary depending on the type of project, the subcontracting opportunities available, the type of service or supplies needed for the project, and the availability of qualified TSB firms in the area.
35. For construction contracts:
  - a) Including in the bid proposals a contract provision titled "TSB Affirmative Action Responsibilities on Non-Federal Aid Projects (Third-Party State-Assisted Projects)" or a similar document developed by the Recipient. This contract provision is available on-line at:  
  
[http://www.dot.state.ia.us/local\\_systems/publications/tsb\\_contract\\_provision.pdf](http://www.dot.state.ia.us/local_systems/publications/tsb_contract_provision.pdf)
  - b) Ensuring that the awarded contractor has and shall follow the contract provisions.
36. For consultant contracts:
  - a) Identifying the TSB goal in the Request for Proposal (RFP), if one has been set.
  - b) Ensuring that the selected consultant made a positive effort to meet the established TSB goal, if any. This should include obtaining documentation from the consultant that includes a list of TSB firms contacted; a list of TSB firms that responded with a subcontract proposal; and, if the consultant does not propose to use a TSB firm that submitted a subcontract proposal, an explanation why such a TSB firm will not be used.

The Recipient shall provide the Iowa DOT the following documentation:

16. Copies of correspondence and replies, and written notes of personal and/or telephone contacts with any TSB firms. Such documentation can be used to demonstrate the Recipient's positive efforts and it should be placed in the general project file.
17. Bidding proposals or RFPs noting established TSB goals, if any.
18. The attached "Checklist and Certification." This form shall be filled out upon completion of each project and forwarded to: Iowa Department of Transportation, Civil Rights Coordinator, Office of Employee Services, 800 Lincoln Way, Ames, IA 50010.

**CHECKLIST AND CERTIFICATION**  
**For the Utilization of Targeted Small Businesses (TSB)**  
**On Non-Federal-aid Projects (Third-Party State-Assisted Projects)**

Recipient: \_\_\_\_\_ Project Number: \_\_\_\_\_

County: \_\_\_\_\_ Agreement Number: \_\_\_\_\_

1. Were the names of qualified TSB firms obtained from the Iowa Department of Inspections and Appeals? ☐ YES ☐ NO

If no, explain \_\_\_\_\_

2. Were qualified TSB firms notified of project? ☐ YES ☐ NO

If yes, by ☐ letter, ☐ telephone, ☐ personal contact, or ☐ other (specify) \_\_\_\_\_

If no, explain \_\_\_\_\_

3. Were bids or proposals solicited from qualified TSB firms? ☐ YES ☐ NO

If no, explain \_\_\_\_\_

4. Was a goal or percentage established for TSB participation? ☐ YES ☐ NO

If yes, what was the goal or percentage? \_\_\_\_\_

If no, explain why not: \_\_\_\_\_

5. Did the prime contractor or consultant use positive efforts to utilize TSB firms on subcontracts? ☐ YES ☐ NO

If no, what action was taken by Recipient? \_\_\_\_\_

Is documentation in files? ☐ YES ☐ NO

6. What was the dollar amount reimbursed to the Recipient  
from the Iowa Department of Transportation?

\$ \_\_\_\_\_

What was the final project cost?

\$ \_\_\_\_\_

What was the dollar amount performed by TSB firms?

\$ \_\_\_\_\_

Name(s) and address(es) of the TSB firm(s) \_\_\_\_\_  
(Use additional sheets if necessary)

Was the goal or percentage achieved? ☐ YES ☐ NO

If no, explain \_\_\_\_\_

As the duly authorized representative of the Recipient, I hereby certify that the Recipient used positive efforts to utilize TSB firms as participants in the State-assisted contracts associated with this project.

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

# Engineering Services Agreement



THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the City of Creston, Iowa, hereinafter called the *Owner*, and Clapsaddle-Garber Associates, Inc., a corporation legally formed under the provisions of Chapter 496A of the 1966 Code of Iowa, hereinafter called the *Engineer*.

WHEREAS, the Owner requires professional engineering services from the Engineer for the project described as:

T-Hangar Access Taxiway  
Creston Municipal Airport  
Creston, Iowa

WITNESSETH that for and in consideration of the mutual covenants and promises between the parties hereto, it is agreed as follows:

## 1. Engineer

The ENGINEER AGREES to perform the following engineering services for the Project:

- a. **General.** The Engineer has reviewed the site of the Project and the engineering services involved and the Engineer shall serve as the Owner's professional representative in the engineering services required for the Project, and shall give consultation and advice to the Owner during the performance of his services.

The Engineer shall secure and maintain such insurance as will protect him from claims under the Workmen's Compensation Acts and from claims for bodily injury, death, or property damage which may arise from the performance of his services under this Agreement.

- b. **Scope of Engineering Services.** The Engineer shall accomplish those tasks described in Attachment A – *Scope of Engineering Services*.
- c. **Time Schedule for Execution of Engineering Services.** It is estimated the engineering time required to accomplish the *Scope of Engineering Services* through Task 1.0 – "Design" will be thirty (30) calendar days from the authorization to proceed. The Engineer acknowledges the importance to the Owner of the Project schedule and

agrees to put forth reasonable efforts in performing the service with due diligence under this Agreement. The Owner understands, however, that the Engineer's performance must be governed by sound professional practices and will be affected by outside influences beyond the Engineer's control.

- d. ***Additional Special Services.*** When requested in writing by the Owner, Engineer shall furnish or obtain from others "Additional Special Services" not described in the *Scope of Services* included in this Agreement. The scope of the Additional Special Services and the related cost shall be negotiated as the need arises.

## 2. Owner

The OWNER AGREES to provide the Engineer with complete information concerning the requirements of the Project and to perform the following services:

- a. ***Access to the Work.*** The Owner shall guarantee access to and make all provisions for the Engineer to enter upon public land as required for the Engineer to perform such work as surveys and inspections in the development of the Project. The Engineer will contact private property owners for permission of entry to private lands.
- b. ***Consideration of the Engineer's Work.*** The Owner shall give thorough consideration to all reports, sketches, estimates, drawings, specifications, proposals, and other documents presented by the Engineer, and shall inform the Engineer of all decisions within a reasonable time so as not to delay the work of the Engineer.
- c. ***Legal Requirements.*** The Owner shall hold promptly all required special meetings, serve all required public and private notices, receive and act upon all protests, and fulfill all requirements necessary in the development of the Project, and pay all costs incidental thereto.

## 3. The Owner's Payments to the Engineer

### a. General

- 1) Abandoned or Suspended Work. If any work performed by the Engineer is abandoned or suspended in whole or in part, the Engineer shall be paid for costs incurred prior to receipt of written notice from the Owner of such abandonment or suspension, together with any terminal expenses resulting therefrom, and including a reasonable profit.
- 2) Payment to the Engineer shall be due and payable from monthly statements. Payments not received within thirty (30) days of the invoice date shall be subject to an interest charge of eighteen percent (18%) per annum from the date of the invoice.



- 3) Collection. In the event legal action is necessary to enforce the payment provisions of this Agreement, Engineer shall be entitled to collect from Owner any judgment or settlement sums due, reasonable attorney's fees, court costs, and expenses incurred by Engineer in connection with such collection action, computed at Engineer's prevailing fee schedules and expense policies.

- b. **Payments for Design and Construction Services.** The Owner shall pay the Engineer a fixed fee in accordance with the following:

Task 1.0	Design .....	\$5,100
Task 2.0	Bid Letting .....	\$1,800
Task 3.0	Distribution of Plans and Specifications.....	Hourly
Task 4.0	Contract Administration .....	\$4,800
Task 5.0	Construction Staking .....	\$1,800
Task 6.0	Construction Observation .....	\$6,900
Task 7.0	Grant Administration .....	\$600

In addition, the Owner shall reimburse the Engineer for Distribution of Plans and Specifications described in Attachment A as Task 3.0, an amount equal to direct labor, overhead, profit and expenses as provided under the laws of the State of Iowa.

#### 4. Conditions

The OWNER and ENGINEER FURTHER AGREE to the following conditions:

- a. **Termination of Contract.** The Engineer may terminate this Agreement upon giving the Owner five (5) calendar days' prior written notice for any of the following reasons:
1. Breach by the Owner of any material term of the Agreement including but not limited to Payment Terms.
  2. Material changes in the conditions under which the Agreement was entered into.
  3. Failure of the parties hereto to reach accord on the fees and charges for any Additional Services required.
  4. Actions under this Agreement which may expose the Engineer to claims or other charges filed by persons to whom the Engineer owes a duty of care.

The Owner shall within thirty (30) calendar days of termination pay the Engineer for all services rendered and all costs incurred up to the date of termination, in accordance with the compensation provisions of this Agreement.

The Owner may terminate this Agreement:

1. The Owner may, by written notice, terminate this contract in whole or in part at any time, either for the Owner's convenience or because of failure to fulfill the contract obligations. Upon receipt of such notice, services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this contract, whether completed or in progress, delivered to the Owner.

2. If the termination is for the convenience of the Owner, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit or unperformed services.
3. If the termination is due to failure to fulfill the Engineer's obligations, the Owner may take over the work and prosecute the same to completion by contract or otherwise. In such case, the Engineer shall be liable to the Owner for any additional cost occasioned to the Owner thereby.
4. If, after notice of termination for failure to fulfill contract obligations, it is determined that the Engineer had not so failed, the termination shall be deemed to have been effected for the convenience of the Owner. In such event, adjustment in the contract price shall be made as provided in paragraph 2 of this clause.
5. The rights and remedies of the Owner provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

In the event the Owner's funds for this project are substantially reduced or totally withdrawn, the Owner shall have the right, at its option, to renegotiate or terminate this Agreement

- b. ***Suspension of Services:*** If the project is suspended for more than thirty (30) calendar days in the aggregate by the Owner, the Engineer shall be compensated for services performed and charges incurred prior to receipt of notice to suspend and, upon resumption, an equitable adjustment in fees to accommodate the resulting demobilization and remobilization costs. In addition, there shall be an equitable adjustment in the project schedule based on the delay caused by the suspension. If the project is suspended for more than ninety (90) calendar days in the aggregate, the Engineer may, at his option, terminate this Agreement upon giving notice in writing to the Owner.

If the Owner fails to make payments when due or otherwise is in breach of the Agreement, the Engineer may suspend performance of services upon five (5) calendar days' notice to the Owner. The Engineer shall have no liability whatsoever to the Owner for any costs or damages as a result of such suspension caused by any breach of the Agreement by the Owner.

- c. ***Dispute Resolution.*** In an effort to resolve any conflicts that arise during the design or construction of the Project or following the completion of the Project, the Owner and the Engineer agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation unless the parties mutually agree otherwise.
- d. ***Ownership of Documents.*** All documents including plans and specifications prepared by the Engineer pursuant to this Agreement are instruments of service in the Project. They are not intended or represented to be suitable for reuse by the Owner or others on extensions of the Project or on any other project. Any reuse without written verification or adaptation by the Engineer for the specific purpose intended will be at the Owner's sole risk and without liability or legal exposure to the Engineer; and the Owner shall indemnify and hold harmless the Engineer from all claims, damages, losses, and expenses including attorney's fees arising out of or resulting therefrom.

Any such verification or adaptation will entitle the Engineer to further compensation at rates to be agreed upon by the Owner and the Engineer.

- e. **Opinion of Probable Cost.** Statements of probable construction costs and detailed cost estimates prepared by the Engineer represent his best judgment as a design professional familiar with the construction industry. It is recognized, however, that the Engineer has no control over the cost of labor, materials or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding or market conditions. Accordingly, the Engineer does not guarantee that any actual cost will not vary from any cost estimate prepared by the Engineer.
- f. **Certificate of Merit.** The Owner shall make no claim (whether directly, in the form of a third-party claim, or for indemnity) against the Engineer unless the Owner shall have first provided the Engineer with a written certification executed by an independent Engineer licensed in Iowa to practice in the same discipline as the Engineer specifying those acts or omissions which the certifier contends constitutes a violation of the standard of care expected on an Engineer performing professional services under similar circumstances and upon which the claim will be premised. Such certification shall be provided to the Engineer thirty (30) days prior to the presentation of, and shall be a precondition to any such claim or the institution of, any arbitration or judicial proceeding.
- g. **Jobsite Safety.** Neither the professional activities of the Engineer, nor the presence of the Engineer's employees and subconsultants at a construction site, shall relieve the General Contractor and any other entity of their obligations, duties, and responsibilities, including, but not limited to, construction means, methods, sequences, techniques, or procedures necessary for performing, superintending, or coordinating all portions of the work of construction in accordance with the *Contract Documents* and any health or safety precautions required by any regulatory agencies. The Engineer's personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions. The Owner agrees that the General Contractor is solely responsible for jobsite safety.
- h. **Successors and Assigns.** This agreement and all of the covenants hereof shall inure to the benefit of and be binding upon the Owner and the Engineer, respectively, and his partners, successors, assigns, and legal representatives. Neither the Owner nor the Engineer shall have the right to assign, transfer, or sublet his interest or obligations hereunder without written consent of the other party.
- i. **Equal Opportunity/Affirmative Action.** The Engineer is prohibited from engaging in discriminatory employment practices forbidden by federal and state law, executive orders and rules of the Iowa Department of Management, pertaining to equal employment opportunity and affirmative action. The Engineer with regard to the work performed by it, will not discriminate on the grounds of race, religion, age, physical disability, color, sex or national origin in the selection and retention of subconsultants, including procurement of materials and leases of equipment.

- j. **Records Retention.** The Engineer shall retain all records pertaining to the contract for three years from the date of final payment for inspection and audit by local or state officials or their authorized representatives.
- k. **Severability.** If any section, provision or part of this Agreement shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the Agreement as a whole or any section, provision, or part thereof not adjudged invalid or unconstitutional

## 5. Defend and Hold Harmless Agreement

Engineer shall defend, indemnify and save harmless the City of Creston, the Iowa DOT and the State of Iowa its agencies, agents, employees and assignees from all claims and liabilities due to design error, omission or negligent act of Engineer, its members, agents, stockholders, or employees, in connection with performance of this Agreement.

## 6. Attachments

The following attachments are included as part of this Agreement:

√ Attachment A – *Scope of Engineering Services*

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement the day and year first above written.

### OWNER

City of Creston, Iowa

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attested by:

\_\_\_\_\_

Title: City Clerk

### ENGINEER

Clapsaddle-Garber Associates, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attested by:

\_\_\_\_\_

Title: \_\_\_\_\_

**Attachment A**  
**Scope of Engineering Services**  
For  
T-Hangar Access Taxiway  
Creston Municipal Airport

This project provides for the construction of a hangar access taxiway adjacent to an existing taxilane. It provides for the access from an existing taxilane to a proposed hangar building to be built by others. The project is being funded in part with a grant in aid from the Iowa Department of Transportation.

**Task 1.0 - Design**

- 1.1 Collect Topo & Draft Background. Topographic data will be collected by field survey. The data will be downloaded from the field data collector and used to develop background drawings for use in design.
- 1.2 Cover Sheet. The cover sheet shall provide pertinent project information such as project title, general description of the work, project numbers, location map, index to the plan sheets, and designer certification.
- 1.3 Project Layout and Safety Plan Sheet. This sheet will provide a general layout of the project and denote the contractor's access, assembly and storage areas. This sheet will also address general project safety requirements. The Contractor shall be solely and exclusively responsible for the safety of the airport users as it relates to construction activities.
- 1.4 Typical Sections and Project Details. Project details such as typical cross sections, joint details, and barricade details will be depicted.
- 1.5 Project Quantities Sheet. The project quantities sheet will include identification of project bid items, specification references, plan quantities and a location to tabulate final quantities as part of the record drawings. In addition, any special reference notes for the bid items will be included.
- 1.6 Site Plan Sheets. Site plan sheets shall be prepared depicting project dimensions, elevations, drainage and other construction details and notes.
- 1.7 Project Manual. We will prepare documents for the solicitation of bids in accordance with a formal competitive bid process. The bid documents will consist of a Notice to Bidders and Notice of Public Hearing, Instructions to Bidders, Form of Proposal, Iowa DOT Targeted Small Business Requirements, Form of Bid Bond, Form of Contract, Form of Performance, Payment and Maintenance Bond, Insurance Requirements, Additional Requirements, Special Provisions, Advisory Circulars, along with the project plans and specifications.

- 1.8 Progress Meetings. We will conduct occasional meetings with the Owner or the Owner's representatives to obtain input and to coordinate the design process and decisions.
- 1.9 Quality Control Review. We will provide preliminary plans and specifications to the City of Creston and the Iowa Department of Transportation for review along with conducting an internal quality control review. We will then prepare final plans and specifications incorporating comments identified during this review process.

#### **Task 2.0 - Bid Letting**

- 2.1 Advertising. Assist the City of Creston in publication of appropriate legal notices, providing notice to various plan room clearing houses and directly notifying contractors of the proposed construction work. In addition, answer contractors' questions and issue any addenda required during the bidding period.
- 2.2 Bid Opening and Award. Assist the City of Creston in securing and opening of bid proposals. Provide tabulation and analysis of bids, and coordinate with and secure Iowa DOT concurrence in award. After receiving the concurrence we will assist the City of Creston in preparing signatory copies of the construction contract.

#### **Task 3.0 – Distribution of Plans and Specifications**

- 3.1 Distribution of Plans and Specifications. We will provide and distribute paper copies of the project's contract documents to prospective bidders, subcontractor bidders, suppliers and contractor plan room services as provided for under the laws of the State of Iowa.

#### **Task 4.0 - Contract Administration**

- 4.1 Preconstruction Conference. We will prepare an agenda, organize and attend a meeting with the Contractor, Subcontractors, Subconsultants, Airport Authorities, Owner and the Iowa DOT to establish construction schedules, coordinate subcontractors, and establish communications for the project during construction. After the meeting we will prepare and distribute minutes of the conference.
- 4.2 Submittal Reviews and Coordination. The Contractor will be required to submit various submittals and approval data for the project. The submittals will be checked for compliance with the plans and specifications.
- 4.3 Construction Progress Payments. Monthly payments will be made by the Owner to the prime contractor for the construction work. Tabulations of the construction quantities satisfactorily completed and their related cost will be prepared and a

recommendation for payment in accordance with the construction contract will be made.

- 4.4 Visits to the Site. A Professional Engineer will make occasional visits to the construction site to check the general quality and quantity of the Contractor's work. Based on information obtained during such visit, and our project coordination, we will determine in general if such work is proceeding in accordance with the Contract and keep the City of Creston advised of the progress.
- 4.5 Engineer's Statement of Completion. When the Contractor claims final completion of the construction, a Professional Engineer shall make an inspection of the work and prepare a list of items of work or construction not acceptable or uncompleted for the Contractor to complete or repair. A Professional Engineer will prepare a Statement of Completion along with Iowa DOT Form 291109 stating that the construction work has been substantially completed in accordance with the terms of the contract and will list the final construction quantities and costs.
- 4.6 Record Drawings. Prepare from records, reports, field plans, etc., a final copy of record plans to show changes in the work authorized and known during the construction process.

#### **Task 5.0 - Construction Staking**

- 5.1 Grade Stakes. Initially, grade stakes will be set at nominal 50' intervals for use by the Contractor in the rough grading.
- 5.2 Paving Stakes. One set of paving stakes will be set at nominal 25' intervals for use by the Contractor. It is anticipated these stakes will be utilized by the Contractor for fine grading of the subgrade, placement of the subbase, and placement of the surface course.

#### **Task 6.0 - Construction Observation**

- 6.1 Resident Observation. A resident construction observer will be provided during construction activities. Duties and responsibilities of the observer will include checking compliance of the construction with the plans and specifications, record and document the contractor's activities, prepare related reports, and serve as the Project Engineer's liaison with the contractor. Labor costs are based on a 15 working day construction contract.
- 6.2 Laboratory and Field Testing. Laboratory and Field Testing will consist of concrete slump, air content, and compressive strength tests. This task will also involve the monitoring, tabulating and review of the results.

## **Task 7.0 - Grant Administration**

- 7.1 **Grant Administration.** We will track the project costs, gather invoices and prepare for the City of Creston's signature and submission, Iowa DOT form 291108 "Claim for Reimbursement of Project Costs." The City of Creston will provide copies of cancelled checks documenting payment of the invoices.



**IOWA DEPARTMENT OF TRANSPORTATION  
AGREEMENT  
FOR THE FISCAL YEAR 2014  
Airport Improvement Program**

This AGREEMENT is made between the Iowa Department of Transportation called the "Iowa DOT" and **City of Creston**, hereafter the "SPONSOR".

**1.00 PURPOSE:** The purpose of this agreement is to set forth terms, conditions and obligations for accomplishment of certain improvements at the **Creston Municipal** hereafter the "Airport."

Improvements shall consist of: **Pavement maintenance**, as more clearly defined in the project application.

It shall be referred to as the "Project" and shall be identified by  
Project number: **9I140CSQ100**  
Contract number: **15228**

**6.0 GENERAL PROVISIONS**

- 2.01 The SPONSOR shall have the project under contract no later than 12 months after the date of the agreement or the Iowa DOT reserves the right to revoke this grant.
- 2.18 The Iowa DOT agrees to reimburse the SPONSOR **70%** of the eligible project costs, not to exceed the maximum amount payable of **\$63,000**, incurred according to the terms of this agreement. Reimbursement will be made in whole dollar amounts only, rounded down. Final payment request may include documentation of unreimbursed amounts due to rounding, and final reimbursement will be made up to the contract amount in whole dollars.
- 2.19 All projects meeting the definition of public improvements shall follow the competitive bid and competitive quotation procedures for vertical infrastructure as identified in Chapter 26 of the Code of Iowa and 761 Iowa Administrative Code Chapter 180.  
(<http://www.legis.state.ia.us/Rules/Current/iac/761iac/t180/t180.pdf>)
- Competitive bid procedures for all projects greater than \$130,000.
  - Competitive quotation procedures for airport authorities and city sponsors with populations greater than 50,000 for projects between \$72,000 and \$130,000
  - Competitive quotation procedures for airport authorities and city sponsors with population of 50,000 or less for projects between \$50,000 and \$130,000,
  - Informal local procedures for projects less than the thresholds identified for competitive quotations.

The SPONSOR shall follow requirements of the Iowa Code Section 544A.18, 193B Iowa Administrative Code Chapter 5, Chapter 542B of the Code of Iowa, and 193C Administrative Code Chapter 1 to determine when professional engineering or architectural plans and specifications must be used. The SPONSOR shall submit any plans, specifications and other contract documents to the Iowa DOT for its files.

- 2.20 Should the SPONSOR fail to comply with any Condition or Assurance provided herein, the Iowa DOT may withhold further payment and may require reimbursement of any or all payments made by the Iowa DOT toward accomplishment of the Project.
- 2.21 The Iowa DOT shall not waive any right of authority by making payments pursuant to this agreement, and such payments shall not constitute approval or acceptance of any part of the Project.
- 2.50 Neither the Department nor the Sponsor intend to create rights in, and shall not be liable to, any third parties by reason of this agreement.
- 2.51 If any provision of this agreement is held invalid, the remainder of this agreement shall not be affected thereby if such remainder would then continue to conform to applicable law and the intent of this agreement.
- 2.52 The Iowa DOT shall determine what costs charged to the project account are eligible for participation under the terms of this agreement and the SPONSOR shall bear all additional costs accepted and paid. Only those eligible costs incurred after this agreement is executed shall be reimbursed, unless the SPONSOR receives written notice from the Iowa DOT that the Sponsor has authority to incur costs.
- 2.53 Notwithstanding any other provisions of this agreement, the Iowa DOT shall have the right to enforce, and may require the SPONSOR to comply with, any and all Conditions and Assurances agreed to herein.
- 2.54 The Iowa DOT's obligations hereunder shall cease immediately, without penalty of further payment being required, in any year for which the General Assembly of the State of Iowa fails to make an appropriation or reappropriation to pay such obligations, and the Iowa DOT's obligations hereunder shall cease immediately without penalty of further payment being required at any time where there are not sufficient authorized funds lawfully available to the Iowa DOT to meet such obligations. The Iowa DOT shall give the SPONSOR notice of such termination of funding as soon as practicable after the Iowa DOT becomes aware of the failure of funding. In the event the Iowa DOT provides such notice, the SPONSOR may terminate this agreement or any part thereof.
- 2.55 The SPONSOR is the contracting agent and, as such, retains sole responsibility for compliance with local, state and federal laws and regulations related to accomplishment of the Project. The sponsor shall ensure compliance with Title VI of the Civil Rights Act of 1964, 78 STAT. 252, 42 U.S.C. 2000d-42 U.S.C. 2000d-4, and all requirements imposed by or pursuant to the end that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from the Iowa DOT.

In accordance with Iowa Code Chapter 216, the SPONSOR shall not discriminate against any person on the basis of race, color, creed, age, sex, sexual orientation, gender identity, national origin, religion, pregnancy, or disability.

- 2.56 Funding will be available for reimbursement of the project for three fiscal years after the date of the agreement, unless appropriations are withdrawn under 2.10. Assurances in this agreement remain in full force and effect for a period of 20 years from the date of the agreement.
- 2.57 The SPONSOR agrees to indemnify, defend, and to hold the Iowa DOT harmless from any action or liability out of the design, construction, maintenance and inspection or use of this project. This agreement to indemnify, defend, and hold harmless applies to all aspects of the Iowa DOT's application review and approval process, plan and construction reviews, and funding participation.
- 2.58 In the case of any dispute concerning the terms of this agreement, the parties shall submit the matter to arbitration pursuant to the Iowa Code Chapter 679A. Either party has the right to submit the matter to arbitration after 10 days notice to the other party of the intent to seek arbitration. The written notice must include a precise statement of the dispute. The Iowa DOT and the SPONSOR agree to be bound by the decision of the appointed arbitrator. Neither party may seek any remedy with the State or Federal courts absent exhaustion of the provisions of this paragraph for arbitration.
- 2.59 Infrastructure and/or work products developed through this grant become the property of the SPONSOR and the SPONSOR's responsibility to maintain.
- 2.60 The attached Exhibit A, "Utilization of Targeted Small Business (TSB) Enterprises on Non-Federal Aid Projects (Third-Party State Assisted Projects)," will apply and is hereby made a part of this Agreement.

### **3.00 PROJECT CONDITIONS**

- 3.01 The SPONSOR Agrees to:
- (a) Let contracts according to provisions of Chapter 26 of the Iowa Code and preside at all public hearings occasioned by the Project.
  - (b) Contract for all professional and construction services as needed, submitting a copy of any engineering/consultant contract to the Iowa DOT. If the engineering/consultant agreement is more than \$50,000 and the sponsor will request state reimbursement for the engineering/consultant services, the agreement must be submitted to the Iowa DOT for pre-audit prior to execution of the agreement.
  - (c) Establish and maintain a project schedule and provide the schedule to the Iowa DOT.
  - (d) Obtain and provide the sales tax exemption certificates through the Iowa Department of Revenue and Finance to the successful bidder and any subcontractors to enable them to purchase qualifying materials for the project free of sales tax.
  - (e) Submit to the Iowa DOT a Request for Reimbursement form, copies of invoices, and proof of payment for reimbursement. Progress payments are allowed.
  - (f) Inspect work and equipment, test materials, and control construction to ensure that the design intent of the plans and specifications is achieved.
  - (g) Inform the Iowa DOT of construction completion and allow the Iowa DOT access to review the completed project.
  - (h) Certify satisfactory completion of the Project by resolution or signed final acceptance form and provide a copy to the Iowa DOT.
  - (i) Retain all records relating to project cost, including supporting documents, for a period

of three (3) years following final payment by the Iowa DOT, and to make such records and documents available to Iowa DOT personnel for audit.

- (j) Ensure that applicable General Provisions and Project Conditions are included in any agreement between the SPONSOR and Engineer/Consultant.

#### **4.00 SPECIAL PROVISIONS**

4.01 None

#### **5.00 SPONSOR ASSURANCES**

By authorizing execution of this agreement the SPONSOR hereby certifies that:

- 5.09 It will not enter into any transaction which would operate to deprive it of any of the rights and powers necessary to perform any or all of the assurances made herein, unless by such transaction the obligation to perform all such covenants are assumed by another public agency found by the Iowa DOT to be eligible under the laws of the State of Iowa to assume such obligations and to have the power, authority, and financial resources to carry out all such obligations. If an arrangement is made for the management or operation of the Airport by any agency or person other than the SPONSOR or an employee of the SPONSOR, the SPONSOR will reserve sufficient rights and authority to insure that the Airport will be operated and maintained in accordance with these assurances.
- 5.10 It will not dispose of or encumber its title or other interests in the site and facilities during the 20-year period of this agreement.
- 5.23 It will operate and maintain in a safe and serviceable condition the Airport and all facilities thereon and connected therewith which are necessary to service the aeronautical users of the Airport and will not permit any activity thereon which would interfere with its use for airport purposes.
- 5.24 Insofar as it is within its power and reasonable, the Sponsor will, either by the acquisition and retention of easements or other interests in or rights for the use of land or airspace and by the adoption and enforcement of zoning regulations, prevent the construction, erection, alteration, or growth of any structure, tree, or other object in the approach areas of the runways of the Airport, which would constitute an obstruction to air navigation according to the criteria or standards prescribed in Section 77.23 as applied to Section 77.25, Part 77, of the Federal Aviation Regulations. In addition, the Sponsor will not erect or permit the erection of any permanent structure or facility which would interfere materially with the use, operation, or future development of the Airport, or any portion of a runway approach area in which the Sponsor has acquired, or hereafter acquires.
- 5.25 It will operate and maintain the facility in accordance with the minimum standards as may be required or prescribed by the Iowa DOT for the maintenance and operation of such facilities as identified in the Iowa Administrative Code 761-Chapter 720.10
- 5.26 It will operate the Airport as such for the use and benefits of the public. In furtherance of this covenant (but without limiting its general applicability and effect), the SPONSOR specifically

agrees that it will keep the Airport open to all types, kinds, and classes of aeronautical use on fair and reasonable terms without unlawful discrimination between such types, kinds, and classes. The SPONSOR may establish such fair, equal, and not unjustly discriminatory conditions to be met by all users of the Airport as may be necessary for the safe and efficient operation of the airport. The SPONSOR may also prohibit or limit any given type, kind, or class of aeronautical use of the Airport if such action is necessary for the safe operation of the Airport or necessary to serve the civil aviation need of the public. It will operate the Airport on fair and reasonable terms, and without unjust discrimination.

- 5.27 The SPONSOR will keep up-to-date and provide to the Iowa DOT an airport layout plan. The SPONSOR will not make or permit the making of any changes or alterations in the Airport or any of its facilities other than in conformity with the airport layout plan, if such changes or alterations might adversely affect the safety, utility, or efficiency of the Airport.

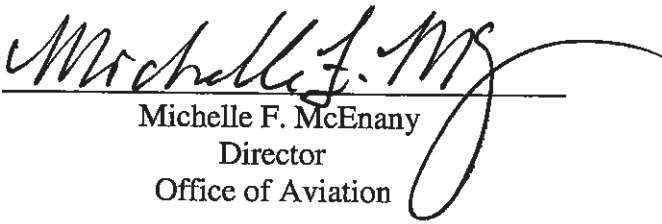
**6.00 EXECUTION OF THE AGREEMENT.** By resolution made a part of this agreement the SPONSOR authorized the undersigned to execute this agreement.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, on behalf of the SPONSOR.

By: \_\_\_\_\_ Attested: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Signed this 9<sup>th</sup> day of July, 2013, on behalf of the Iowa Department of Transportation.

By:   
Michelle F. McEnany  
Director  
Office of Aviation

# **Exhibit A**

## **CONTRACT PROVISION**

### **Targeted Small Business (TSB) Affirmative Action Responsibilities on Non-Federal Aid Projects (Third-Party State-Assisted Projects)**

**May 2012**

## CONTRACT PROVISION

### Targeted Small Business (TSB) Affirmative Action Responsibilities on Non-Federal-aid Projects (Third-party State-Assisted Projects)

#### 1. TSB DEFINITION

A TSB is a small business, as defined by Iowa Code Section 15.102(5), which is 51% or more owned, operated and actively managed by one or more women, minority persons or persons with a disability. Generally this is a for-profit small business enterprise under single management, is located in Iowa and has an annual gross income of less than 3 million dollars computed as an average of the three preceding fiscal years.

#### 2. TSB REQUIREMENTS

In all State-assisted projects made available through the Iowa Department of Transportation, local governments have certain affirmative action requirements to encourage and increase participation of disadvantaged individuals in business enterprises. These requirements are based on Iowa Code Section 19B.7 and 541 Iowa Administrative Code Chapter 4. These requirements supersede all existing TSB regulations, orders, circulars and administrative requirements.

#### 3. TSB DIRECTORY INFORMATION

Available from: Iowa Department of Inspections and Appeals  
Targeted Small Business  
Lucas Building  
Des Moines, IA 50319  
Phone: 515-281-7102  
Website: <http://dia.iowa.gov/page7.html>

#### 4. THE CONTRACTOR'S TSB POLICY

The contractor is expected to promote participation of disadvantaged business enterprises as suppliers, manufactures and subcontractors through a continuous, positive, result-oriented program. Therefore the contractor's TSB policy shall be:

It is the policy of this firm that Targeted Small Business (TSB) concerns shall have the maximum practical opportunity to participate in contracts funded with State-assisted funds which are administered by this firm (e.g. suppliers, manufactures and subcontractors). The purpose of our policy is to encourage and increase the TSB participation in contracting opportunities made available by State-assisted programs.

#### 5. CONTRACTOR SHALL APPOINT AN EQUAL EMPLOYMENT OPPORTUNITY (EEO) OFFICER

The contractor shall designate a responsible person to serve as TSB officer to fulfill the contractors affirmative action responsibilities. This person shall have the necessary statistics, funding, authority and responsibility to carry out and enforce the firm's EEO policy. The EEO officer shall be responsible for developing, managing and implementing the program on a day-to-day basis. The officer shall also:

- A. For current TSB information, contact the Iowa Department of Inspections and Appeals (515-281-7102)

## TSB Affirmative Action Responsibilities

to identify potential material suppliers, manufactures and contractors.

- B. Make every reasonable effort to involve TSBs by soliciting quotations from them and incorporating them into the firm's bid.
- C. Make every reasonable effort to establish systematic written and verbal contact with those TSBs having the materials or expertise to perform the work to be subcontracted, at least two weeks prior to the time quotations are to be submitted. Maintain complete records of negotiation efforts.
- D. Provide or arrange for assistance to TSBs in seeking bonding, analyzing plans/specifications or other actions that can be viewed as technical assistance.
- E. Ensure the scheduled progress payments are made to TSBs as agreed in subcontract agreements.
- F. Require all subcontractors and material suppliers to comply with all contract equal opportunity and affirmative action provisions.

### 6. COUNTING TSBs PARTICIPATION ON A PROJECT

TSBs are to assume actual and contractual responsibilities for provision of materials/supplies, subcontracted work or other commercially useful function.

#### A. The bidder may count:

- (1) Planned expenditures for materials/supplies to be obtained from TSB suppliers and manufacturers; or
- (2) Work to be subcontracted to a TSB; or
- (3) Any other commercially useful function.

#### B. The contractor may count:

- (1) 100% of an expenditure to a TSB manufacturer that produces/supplies goods manufactured from raw materials.
- (2) 60% of an expenditure to TSB suppliers that are not manufacturers; provided the suppliers perform a commercially useful function in the supply process.
- (3) Only those expenditures to TSBs that perform a commercially useful function in the work of a contract, including those as a subcontractor.
- (4) Work the Contracting Authority has determined that it involves a commercially useful function. The TSB must have a necessary and useful role in the transaction of a kind for which there is a market outside the context of the TSB program. For example, leasing equipment or purchasing materials from the prime contractor would not count.

### 7. REQUIRED DATA, DOCUMENTS AND CONTRACT AWARD PROCEDURES FROM BIDDERS/CONTRACTORS FOR PROJECTS WITH ASSIGNED GOALS

#### A. Bidders

Bidders who fail to demonstrate reasonable positive efforts may be declared ineligible to be awarded



the contract. Bidders shall complete the bidding documents plus a separate form called "TSB Pre-Bid Contact Information". This form includes:

- (1) Name(s) of the TSB(s) contacted regarding subcontractable items.
- (2) Date of the contract.
- (3) Whether or not a TSB bid/quotation was received.
- (4) Whether or not the TSB's bid/quotation was used.
- (9) The dollar amount proposed to be subcontracted.

B. Contractors Using Quotes from TSBs

Use those TSBs whose quotes are listed in the "Quotation Used in Bid" column along with a "yes" indicated on the Pre-bid Contact Information form.

C. Contractors NOT Using Quotes from TSBs

If there are no TSBs listed on the Pre-bid Contract Information form, then the contractor shall document all efforts made to include TSB participation in this project by documenting the following:

- (1) What pre-solicitation or pre-bid meetings scheduled by the contracting authority were attended?
- (2) Which general news circulation, trade associations and/or minority-focused media were advertised concerning the subcontracting opportunities?
- (3) Were written notices sent to TSBs that TSBs were being solicited and was sufficient time allowed for the TSBs to participate effectively?
- (4) Were initial solicitations of interested TSBs followed up?
- (5) Were TSBs provided with adequate information about the plans, specifications and requirements of the contract?
- (6) Were interested TSBs negotiated with in good faith? If a TSB was rejected as unqualified, was the decision based on an investigation of their capabilities?
- (7) Were interested TSBs assisted in obtaining bonding, lines of credit or insurance required by the contractor?
- (8) Were services used of minority community organization, minority contractors groups; local, State and Federal minority business assistance offices or any other organization providing such assistance.

The above documentation shall remain in the contractor's files for a period of three (3) years after the completion of the project and be available for examination by the Iowa Department of Inspections and Appeals.

8. POSITIVE EFFORT DOCUMENTATION WHEN NO GOALS ARE ASSIGNED

Contractors are also required to make positive efforts in utilizing TSBs on all State-assisted projects which are not assigned goals. Form "TSB Pre-bid Contact Information" is required to be submitted with bids on all projects. If there is no TSB participation, then the contractor shall comply with section 7C. of this document prior to the contract award.

Contractor \_\_\_\_\_ Page# \_\_\_\_\_

[illegible]

County \_\_\_\_\_

**(To Be Completed By All Bidders per the Current Contract Provision)**

**In order for your bid to be considered responsive, you are required to provide information on this form showing your Targeted Small Business contacts made with your bid submission. This information is subject to verification and confirmation.**

In the event it is determined that the Targeted Small Business goals are not met, then before awarding the contract, the Contracting Authority will make a determination as to whether or not the apparent successful low bidder made good faith efforts to meet the goals.

**NOTE:** Every effort shall be made to solicit quotes or bids on as many subcontractable items as necessary to achieve the established goals. If a TSB's quote is used in the bid, it is assumed that the firm listed will be used as a subcontractor.

### TABLE OF INFORMATION SHOWING BIDDERS PRE-BID TARGETED SMALL BUSINESS (TSB) CONTACTS

[illegible]

Total dollar amount proposed to be subcontracted to TSB on this project \$ \_\_\_\_\_  
List items by name to be subcontracted:

**UTILIZATION OF TARGETED SMALL BUSINESS (TSB) ENTERPRISES  
ON NON-FEDERAL AID PROJECTS  
(THIRD-PARTY STATE-ASSISTED PROJECTS)**

In accordance with Iowa Code Section 19B.7 and 541 Iowa Administrative Code (IAC) Chapter 4, it is the policy of the Iowa Department of Transportation (Iowa DOT) that Targeted Small Business (TSB) enterprises shall have the maximum practicable opportunity to participate in the performance of contracts financed in whole or part with State funds.

Under this policy the Recipient shall be responsible to make a positive effort to solicit bids or proposals from TSB firms and to utilize TSB firms as contractors or consultants. The Recipient shall also ensure that the contractors or consultants make positive efforts to utilize TSB firms as subcontractors, subconsultants, suppliers, or participants in the work covered by this agreement.

The Recipient's "positive efforts" shall include, but not be limited to:

25. Obtaining the names of qualified TSB firms from the Iowa Department of Inspections and Appeals (515-281-7102) or from its website at: <http://dia.iowa.gov/page7.html>.
26. Notifying qualified TSB firms of proposed projects involving State funding. Notification should be made in sufficient time to allow the TSB firms to participate effectively in the bidding or request for proposal (RFP) process.
27. Soliciting bids or proposals from qualified TSB firms on each project, and identifying for TSB firms the availability of subcontract work.
28. Considering establishment of a percentage goal for TSB participation in each contract that is a part of this project and for which State funds will be used. Contract goals may vary depending on the type of project, the subcontracting opportunities available, the type of service or supplies needed for the project, and the availability of qualified TSB firms in the area.
29. For construction contracts:
  - a) Including in the bid proposals a contract provision titled "TSB Affirmative Action Responsibilities on Non-Federal Aid Projects (Third-Party State-Assisted Projects)" or a similar document developed by the Recipient. This contract provision is available on-line at:  
  
[http://www.dot.state.ia.us/local\\_systems/publications/tsb\\_contract\\_provision.pdf](http://www.dot.state.ia.us/local_systems/publications/tsb_contract_provision.pdf)
  - b) Ensuring that the awarded contractor has and shall follow the contract provisions.
30. For consultant contracts:
  - a) Identifying the TSB goal in the Request for Proposal (RFP), if one has been set.
  - b) Ensuring that the selected consultant made a positive effort to meet the established TSB goal, if any. This should include obtaining documentation from the consultant that includes a list of TSB firms contacted; a list of TSB firms that responded with a subcontract proposal; and, if the consultant does not propose to use a TSB firm that submitted a subcontract proposal, an explanation why such a TSB firm will not be used.

The Recipient shall provide the Iowa DOT the following documentation:

13. Copies of correspondence and replies, and written notes of personal and/or telephone contacts with any TSB firms. Such documentation can be used to demonstrate the Recipient's positive efforts and it should be placed in the general project file.
14. Bidding proposals or RFPs noting established TSB goals, if any.
15. The attached "Checklist and Certification." This form shall be filled out upon completion of each project and forwarded to: Iowa Department of Transportation, Civil Rights Coordinator, Office of Employee Services, 800 Lincoln Way, Ames, IA 50010.

**CHECKLIST AND CERTIFICATION**  
**For the Utilization of Targeted Small Businesses (TSB)**  
**On Non-Federal-aid Projects (Third-Party State-Assisted Projects)**

Recipient: \_\_\_\_\_ Project Number: \_\_\_\_\_

County: \_\_\_\_\_ Agreement Number: \_\_\_\_\_

1. Were the names of qualified TSB firms obtained from the Iowa Department of Inspections and Appeals? ☐ YES ☐ NO  
If no, explain \_\_\_\_\_
2. Were qualified TSB firms notified of project? ☐ YES ☐ NO  
If yes, by ☐ letter, ☐ telephone, ☐ personal contact, or ☐ other (specify) \_\_\_\_\_  
If no, explain \_\_\_\_\_
3. Were bids or proposals solicited from qualified TSB firms? ☐ YES ☐ NO  
If no, explain \_\_\_\_\_
4. Was a goal or percentage established for TSB participation? ☐ YES ☐ NO  
If yes, what was the goal or percentage? \_\_\_\_\_  
If no, explain why not: \_\_\_\_\_
5. Did the prime contractor or consultant use positive efforts to utilize TSB firms on subcontracts? ☐ YES ☐ NO  
If no, what action was taken by Recipient? \_\_\_\_\_  
Is documentation in files? ☐ YES ☐ NO
6. What was the dollar amount reimbursed to the Recipient from the Iowa Department of Transportation? \$ \_\_\_\_\_  
What was the final project cost? \$ \_\_\_\_\_  
What was the dollar amount performed by TSB firms? \$ \_\_\_\_\_  
Name(s) and address(es) of the TSB firm(s) \_\_\_\_\_  
(Use additional sheets if necessary)  
Was the goal or percentage achieved? ☐ YES ☐ NO  
If no, explain \_\_\_\_\_

As the duly authorized representative of the Recipient, I hereby certify that the Recipient used positive efforts to utilize TSB firms as participants in the State-assisted contracts associated with this project.

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

# Engineering Services Agreement



THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the **City of Creston, Iowa**, hereinafter called the *Owner*, and **Clapsaddle-Garber Associates, Inc.**, a corporation legally formed under the provisions of Chapter 496A of the 1966 Code of Iowa, hereinafter called the *Engineer*.

WHEREAS, the Owner requires professional engineering services from the Engineer for the project described as:

Pavement Maintenance  
Creston Municipal Airport  
Creston, Iowa

WITNESSETH that for and in consideration of the mutual covenants and promises between the parties hereto, it is agreed as follows:

## 1. Engineer

The ENGINEER AGREES to perform the following engineering services for the Project:

- a. **General.** The Engineer has reviewed the site of the Project and the engineering services involved and the Engineer shall serve as the Owner's professional representative in the engineering services required for the Project, and shall give consultation and advice to the Owner during the performance of his services.

The Engineer shall secure and maintain such insurance as will protect him from claims under the Workmen's Compensation Acts and from claims for bodily injury, death, or property damage which may arise from the performance of his services under this Agreement.

- b. **Scope of Engineering Services.** The Engineer shall accomplish those tasks described in Attachment A – *Scope of Engineering Services*.
- c. **Time Schedule for Execution of Engineering Services.** It is estimated the engineering time required to accomplish the *Scope of Engineering Services* through Task 1.0 – "Design" will be Ninety (90) calendar days from the authorization to proceed. The Engineer acknowledges the importance to the Owner of the Project

schedule and agrees to put forth reasonable efforts in performing the service with due diligence under this Agreement. The Owner understands, however, that the Engineer's performance must be governed by sound professional practices and will be affected by outside influences beyond the Engineer's control.

- d. ***Additional Special Services.*** When requested in writing by the Owner, Engineer shall furnish or obtain from others "Additional Special Services" not described in the *Scope of Services* included in this Agreement. The scope of the Additional Special Services and the related cost shall be negotiated as the need arises.

## 2. Owner

The OWNER AGREES to provide the Engineer with complete information concerning the requirements of the Project and to perform the following services:

- a. ***Access to the Work.*** The Owner shall guarantee access to and make all provisions for the Engineer to enter upon public land as required for the Engineer to perform such work as surveys and inspections in the development of the Project. The Engineer will contact private property owners for permission of entry to private lands.
- b. ***Consideration of the Engineer's Work.*** The Owner shall give thorough consideration to all reports, sketches, estimates, drawings, specifications, proposals, and other documents presented by the Engineer, and shall inform the Engineer of all decisions within a reasonable time so as not to delay the work of the Engineer.
- c. ***Legal Requirements.*** The Owner shall hold promptly all required special meetings, serve all required public and private notices, receive and act upon all protests, and fulfill all requirements necessary in the development of the Project, and pay all costs incidental thereto.

## 3. The Owner's Payments to the Engineer

### a. General

- 1) Abandoned or Suspended Work. If any work performed by the Engineer is abandoned or suspended in whole or in part, the Engineer shall be paid for costs incurred prior to receipt of written notice from the Owner of such abandonment or suspension, together with any terminal expenses resulting therefrom, and including a reasonable profit.
- 2) Payment to the Engineer shall be due and payable from monthly statements. Payments not received within thirty (30) days of the invoice date shall be subject to an interest charge of eighteen percent (18%) per annum from the date of the invoice.

- 3) **Collection.** In the event legal action is necessary to enforce the payment provisions of this Agreement, Engineer shall be entitled to collect from Owner any judgment or settlement sums due, reasonable attorney's fees, court costs, and expenses incurred by Engineer in connection with such collection action, computed at Engineer's prevailing fee schedules and expense policies.

- b. **Payments for Design and Construction Services.** The Owner shall pay the Engineer a fixed fee in accordance with the following:

Task 1.0	Design .....	\$5,400
Task 2.0	Bid Letting .....	\$1,800
Task 3.0	Distribution of Plans and Specifications.....	Hourly
Task 4.0	Contract Administration .....	\$5,000
Task 5.0	Construction Layout .....	\$800
Task 6.0	Construction Observation .....	\$6,900
Task 7.0	Grant Administration .....	\$600

In addition, the Owner shall reimburse the Engineer for Distribution of Plans and Specifications described in Attachment A as Task 3.0, an amount equal to direct labor, overhead, profit and expenses as provided under the laws of the State of Iowa.

#### 4. Conditions

The OWNER and ENGINEER FURTHER AGREE to the following conditions:

- a. **Termination of Contract.** The Engineer may terminate this Agreement upon giving the Owner five (5) calendar days' prior written notice for any of the following reasons:

1. Breach by the Owner of any material term of the Agreement including but not limited to Payment Terms.
2. Material changes in the conditions under which the Agreement was entered into.
3. Failure of the parties hereto to reach accord on the fees and charges for any Additional Services required.
4. Actions under this Agreement which may expose the Engineer to claims or other charges filed by persons to whom the Engineer owes a duty of care.

The Owner shall within thirty (30) calendar days of termination pay the Engineer for all services rendered and all costs incurred up to the date of termination, in accordance with the compensation provisions of this Agreement.

The Owner may terminate this Agreement:

1. The Owner may, by written notice, terminate this contract in whole or in part at any time, either for the Owner's convenience or because of failure to fulfill the contract obligations. Upon receipt of such notice, services shall be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this contract, whether completed or in progress, delivered to the Owner.

2. If the termination is for the convenience of the Owner, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit or unperformed services.
3. If the termination is due to failure to fulfill the Engineer's obligations, the Owner may take over the work and prosecute the same to completion by contract or otherwise. In such case, the Engineer shall be liable to the Owner for any additional cost occasioned to the Owner thereby.
4. If, after notice of termination for failure to fulfill contract obligations, it is determined that the Engineer had not so failed, the termination shall be deemed to have been effected for the convenience of the Owner. In such event, adjustment in the contract price shall be made as provided in paragraph 2 of this clause.
5. The rights and remedies of the Owner provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

In the event the Owner's funds for this project are substantially reduced or totally withdrawn, the Owner shall have the right, at its option, to renegotiate or terminate this Agreement

- b. ***Suspension of Services:*** If the project is suspended for more than thirty (30) calendar days in the aggregate by the Owner, the Engineer shall be compensated for services performed and charges incurred prior to receipt of notice to suspend and, upon resumption, an equitable adjustment in fees to accommodate the resulting demobilization and remobilization costs. In addition, there shall be an equitable adjustment in the project schedule based on the delay caused by the suspension. If the project is suspended for more than ninety (90) calendar days in the aggregate, the Engineer may, at his option, terminate this Agreement upon giving notice in writing to the Owner.

If the Owner fails to make payments when due or otherwise is in breach of the Agreement, the Engineer may suspend performance of services upon five (5) calendar days' notice to the Owner. The Engineer shall have no liability whatsoever to the Owner for any costs or damages as a result of such suspension caused by any breach of the Agreement by the Owner.

- c. ***Dispute Resolution.*** In an effort to resolve any conflicts that arise during the design or construction of the Project or following the completion of the Project, the Owner and the Engineer agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation unless the parties mutually agree otherwise.
- d. ***Ownership of Documents.*** All documents including plans and specifications prepared by the Engineer pursuant to this Agreement are instruments of service in the Project. They are not intended or represented to be suitable for reuse by the Owner or others on extensions of the Project or on any other project. Any reuse without written verification or adaptation by the Engineer for the specific purpose intended will be at the Owner's sole risk and without liability or legal exposure to the Engineer; and the Owner shall indemnify and hold harmless the Engineer from all claims, damages, losses, and expenses including attorney's fees arising out of or resulting therefrom.



Any such verification or adaptation will entitle the Engineer to further compensation at rates to be agreed upon by the Owner and the Engineer.

- e. **Opinion of Probable Cost.** Statements of probable construction costs and detailed cost estimates prepared by the Engineer represent his best judgment as a design professional familiar with the construction industry. It is recognized, however, that the Engineer has no control over the cost of labor, materials or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding or market conditions. Accordingly, the Engineer does not guarantee that any actual cost will not vary from any cost estimate prepared by the Engineer.
- f. **Certificate of Merit.** The Owner shall make no claim (whether directly, in the form of a third-party claim, or for indemnity) against the Engineer unless the Owner shall have first provided the Engineer with a written certification executed by an independent Engineer licensed in Iowa to practice in the same discipline as the Engineer specifying those acts or omissions which the certifier contends constitutes a violation of the standard of care expected on an Engineer performing professional services under similar circumstances and upon which the claim will be premised. Such certification shall be provided to the Engineer thirty (30) days prior to the presentation of, and shall be a precondition to any such claim or the institution of, any arbitration or judicial proceeding.
- g. **Jobsite Safety.** Neither the professional activities of the Engineer, nor the presence of the Engineer's employees and subconsultants at a construction site, shall relieve the General Contractor and any other entity of their obligations, duties, and responsibilities, including, but not limited to, construction means, methods, sequences, techniques, or procedures necessary for performing, superintending, or coordinating all portions of the work of construction in accordance with the *Contract Documents* and any health or safety precautions required by any regulatory agencies. The Engineer's personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions. The Owner agrees that the General Contractor is solely responsible for jobsite safety.
- h. **Successors and Assigns.** This agreement and all of the covenants hereof shall inure to the benefit of and be binding upon the Owner and the Engineer, respectively, and his partners, successors, assigns, and legal representatives. Neither the Owner nor the Engineer shall have the right to assign, transfer, or sublet his interest or obligations hereunder without written consent of the other party.
- i. **Equal Opportunity/Affirmative Action.** The Engineer is prohibited from engaging in discriminatory employment practices forbidden by federal and state law, executive orders and rules of the Iowa Department of Management, pertaining to equal employment opportunity and affirmative action. The Engineer with regard to the work performed by it, will not discriminate on the grounds of race, religion, age, physical disability, color, sex or national origin in the selection and retention of subconsultants, including procurement of materials and leases of equipment.

- j. **Records Retention.** The Engineer shall retain all records pertaining to the contract for three years from the date of final payment for inspection and audit by local or state officials or their authorized representatives.
- k. **Severability.** If any section, provision or part of this Agreement shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the Agreement as a whole or any section, provision, or part thereof not adjudged invalid or unconstitutional

## 5. Defend and Hold Harmless Agreement

Engineer shall defend, indemnify and save harmless the City of Creston, the Iowa DOT and the State of Iowa its agencies, agents, employees and assignees from all claims and liabilities due to design error, omission or negligent act of Engineer, its members, agents, stockholders, or employees, in connection with performance of this Agreement.

## 6. Attachments

The following attachments are included as part of this Agreement:

√ Attachment A – *Scope of Engineering Services*

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement the day and year first above written.

### OWNER

City of Creston, Iowa

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attested by:

\_\_\_\_\_

Title: City Clerk

### ENGINEER

Clapsaddle-Garber Associates, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attested by:

\_\_\_\_\_

Title: \_\_\_\_\_

**Attachment A**  
**Scope of Engineering Services**  
For  
Pavement Maintenance  
Creston Municipal Airport

This project provides for pavement rehabilitation of the existing apron and existing taxiway to runway 16/34. The pavement rehabilitation will include joint sealing, crack sealing and replacement of any existing concrete panels that have deteriorated. The project is being funded in part with a grant in aid from the Iowa Department of Transportation.

**Task 1.0 - Design**

- 1.1 Collect & Draft Background. A field survey will be conducted to identify any deteriorated concrete panels and to collect background information to create background drawings for use in design.
- 1.2 Cover Sheet. The cover sheet shall provide pertinent project information such as project title, general description of the work, project numbers, location map, index to the plan sheets, and designer certification.
- 1.3 Project Layout and Safety Plan Sheet. This sheet will provide a general layout of the project and denote the contractor's access, assembly and storage areas. This sheet will also address general project safety requirements. The Contractor shall be solely and exclusively responsible for the safety of the airport users as it relates to construction activities.
- 1.4 Typical Sections and Project Details. Project details such as typical cross sections, joint details, and barricade details will be depicted.
- 1.5 Project Quantities Sheet. The project quantities sheet will include identification of project bid items, specification references, plan quantities and a location to tabulate final quantities as part of the record drawings. In addition, any special reference notes for the bid items will be included.
- 1.6 Site Plan Sheets. Site plan sheets shall be prepared depicting the background information and other construction details and notes.
- 1.7 Project Manual. We will prepare documents for the solicitation of bids in accordance with a formal competitive bid process. The bid documents will consist of a Notice to Bidders and Notice of Public Hearing, Instructions to Bidders, Form of Proposal, Iowa DOT Targeted Small Business Requirements, Form of Bid Bond, Form of Contract, Form of Performance, Payment and Maintenance Bond, Insurance Requirements, Additional Requirements, Special Provisions, Advisory Circulars, along with the project plans and specifications.
- 1.8 Progress Meetings. We will conduct occasional meetings with the Owner or the Owner's representatives to obtain input and to coordinate the design process and decisions.

- 1.9 Quality Control Review. We will provide preliminary plans and specifications to the City of Creston and the Iowa Department of Transportation for review along with conducting an internal quality control review. We will then prepare final plans and specifications incorporating comments identified during this review process.

#### **Task 2.0 - Bid Letting**

- 2.1 Advertising. Assist the City of Creston in publication of appropriate legal notices, providing notice to various plan room clearing houses and directly notifying contractors of the proposed construction work. In addition, answer contractors' questions and issue any addenda required during the bidding period.
- 2.2 Bid Opening and Award. Assist the City of Creston in securing and opening of bid proposals. Provide tabulation and analysis of bids, and coordinate with and secure Iowa DOT concurrence in award. After receiving the concurrence we will assist the City of Creston in preparing signatory copies of the construction contract.

#### **Task 3.0 – Distribution of Plans and Specifications**

- 3.1 Distribution of Plans and Specifications. We will provide and distribute paper copies of the project's contract documents to prospective bidders, subcontractor bidders, suppliers and contractor plan room services as provided for under the laws of the State of Iowa.

#### **Task 4.0 - Contract Administration**

- 4.1 Preconstruction Conference. We will prepare an agenda, organize and attend a meeting with the Contractor, Subcontractors, Subconsultants, Airport Authorities, Owner and the Iowa DOT to establish construction schedules, coordinate subcontractors, and establish communications for the project during construction. After the meeting we will prepare and distribute minutes of the conference.
- 4.2 Submittal Reviews and Coordination. The Contractor will be required to submit various submittals and approval data for the project. The submittals will be checked for compliance with the plans and specifications.
- 4.3 Construction Progress Payments. Monthly payments will be made by the Owner to the prime contractor for the construction work. Tabulations of the construction quantities satisfactorily completed and their related cost will be prepared and a recommendation for payment in accordance with the construction contract will be made.
- 4.4 Visits to the Site. A Professional Engineer will make occasional visits to the construction site to check the general quality and quantity of the Contractor's work. Based on information obtained during such visit, and our project coordination, we will determine in general if such work is proceeding in accordance with the Contract and keep the City of Creston advised of the progress.

- 4.5 Engineer's Statement of Completion. When the Contractor claims final completion of the construction, a Professional Engineer shall make an inspection of the work and prepare a list of items of work or construction not acceptable or uncompleted for the Contractor to complete or repair. A Professional Engineer will prepare a Statement of Completion along with Iowa DOT Form 291109 stating that the construction work has been substantially completed in accordance with the terms of the contract and will list the final construction quantities and costs.
- 4.6 Record Drawings. Prepare from records, reports, field plans, etc., a final copy of record plans to show changes in the work authorized and known during the construction process.

#### **Task 5.0 - Construction Layout**

- 5.1 Construction Layout of Pavement Patching. Pavement patching limits will be identified in the field by a professional engineer prior to the start of construction.

#### **Task 6.0 - Construction Observation**

- 6.1 Resident Observation. A resident construction observer will be provided during construction activities. Duties and responsibilities of the observer will include checking compliance of the construction with the plans and specifications, record and document the contractor's activities, prepare related reports, and serve as the Project Engineer's liaison with the contractor. Labor costs are based on a 15 working day construction contract.
- 6.2 Laboratory and Field Testing. Laboratory and Field Testing will consist of concrete slump, air content, and compressive strength tests. This task will also involve the monitoring, tabulating and review of the results.

#### **Task 7.0 - Grant Administration**

- 7.1 Grant Administration. We will track the project costs, gather invoices and prepare for the City of Creston's signature and submission, Iowa DOT form 291108 "Claim for Reimbursement of Project Costs." The City of Creston will provide copies of cancelled checks documenting payment of the invoices.